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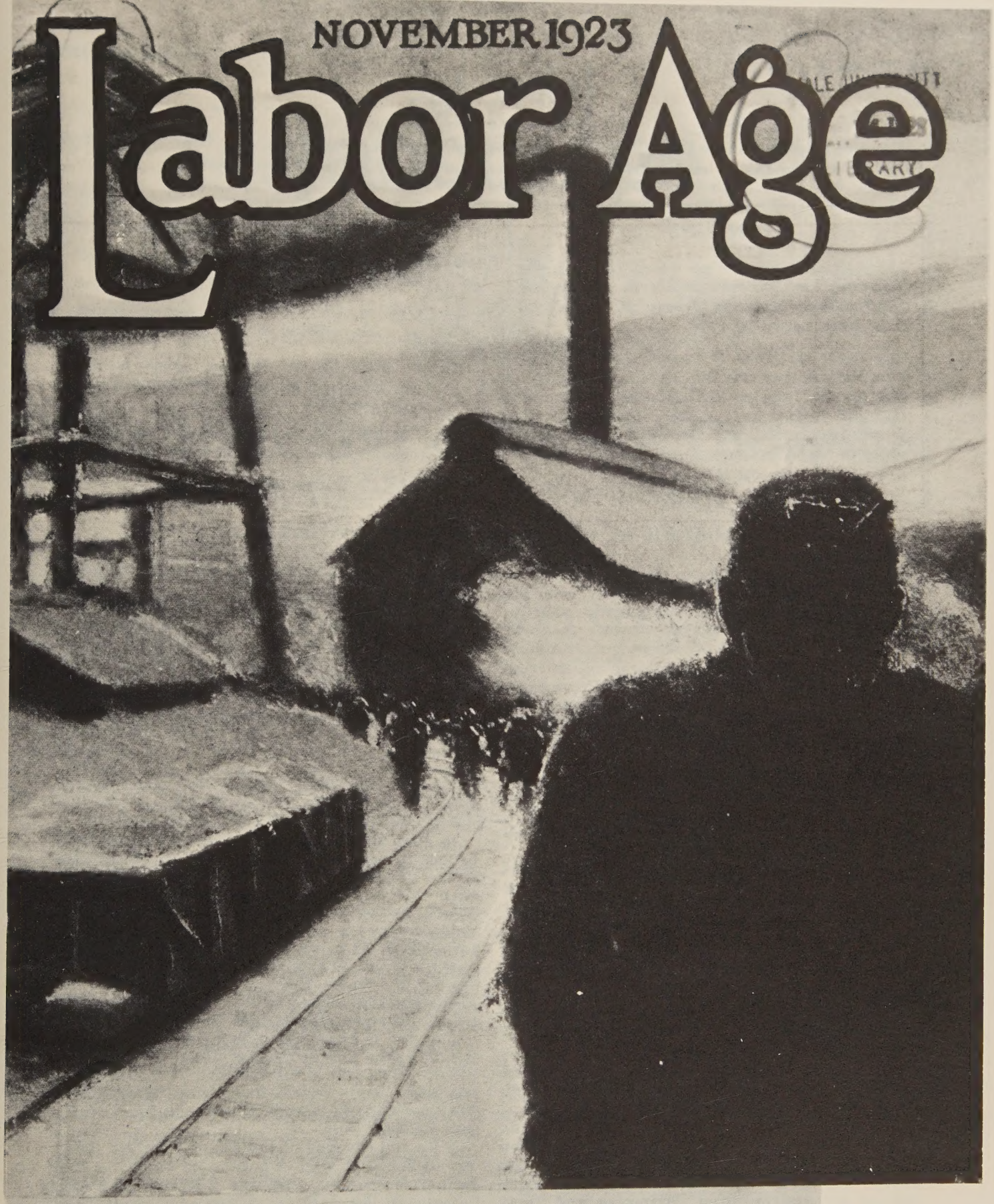

THE HIGH COST of PRIVATE OWNERSHIP

Herbert Hoover *vs* American Labor

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Presenting all the facts about American labor—Believing that the goal of the American labor movement lies in industry for service, with workers' control.

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AMERICAN LABOR vs. HERBERT HOOVER

AMERICAN LABOR at its convention in Portland last month unanimously went on record in favor of a superpower system, through use of our water power, **publicly owned.**

Mr. Herbert Hoover, Secretary of Commerce, at about the same time was holding a meeting of business men and public utility engineers in New York City, for the purpose of starting the ball rolling for a superpower system, using our water power, **privately owned.**

The Public Ownership League at its conference in Toronto in September began a campaign for a publicly owned superpower system. The public utility corporations, through the capitalist press, are urging the private ownership of such a system. The people of New York State are even voting on Tuesday, November 6th, as to whether they will turn their water power over to private exploitation.

Thus are the issues joined in the biggest fight for control of our natural resources that has been waged for many a day. The fight means much for the future destiny of American workers. If they should lose—and Mr. Hoover should succeed in turning over our water power to private companies—then would the same game of corruption, exploitation of Labor, and unnecessary wastes go on that now are so visible in our railroads and our coal mines.

But if the workers win—and a publicly owned superpower system comes into being—then can electricity be brought into every home at the lowest cost, and industry, commerce and agriculture will be benefited. Farmers pay today $47.00 to $84.00 per horsepower year for electricity under private ownership, while other farmers pay but $18.00 for the same period, under public ownership. There is the meaning of the struggle in a nut-shell.

The high costs of private ownership are exposed in the series of articles in this issue. They show why the American Plutocracy has pushed its faithful servant, Herbert, to the front, to gather in the water power unto its bosom. They realize what a menace a publicly owned superpower system would be to their exploitation of the people. They can see, on the other hand, that superpower is sure to come. If privately owned, it will mean such another feast—through stock sales, interlocking directorates, and consequent wastes—as has taken place in the mines, the oil fields and on the railroads.

In coal and railways, the huge, unnecessary wastes arising from private ownership have led to the definite demand on the part of the railway workers and the miners for government ownership, with three party control. American Labor wishes to seize the superpower idea before it has taken root. It has before it the remarkable picture of the Ontario superpower system, by which the province of Ontario furnishes electric energy to 365 cities at cost. The price of electric energy in Ontario, under public ownership is $8.00 per month for the same unit which in the United States, under private ownership, costs $43.00 per month. The hydro-electric system of Ontario has saved the people of that province $100,000,000 in reduced lighting and heating bills.

This is a crusade of the biggest import. Readers of LABOR AGE should join the American Labor Movement and the Public Ownership League in the fight for a power system owned by the people. Do this before Mr. Hoover and the interests backing him have got their strangle hold on the water power systems of the country.

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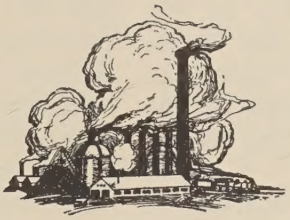
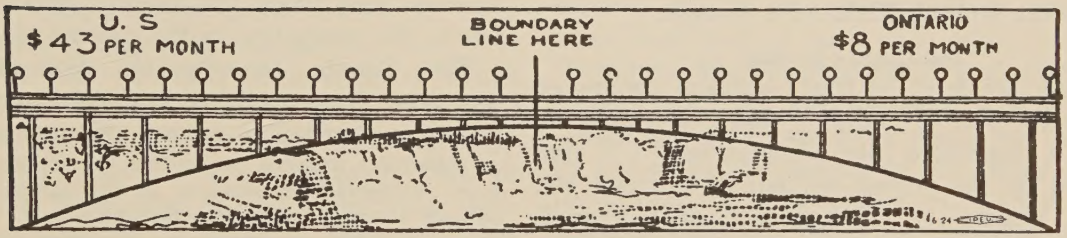


The High Cost of Private Ownership

In which California is Contrasted with Ontario

By HARRY W. LAIDLER



THE STORY AT A GLANCE

The Toronto Daily Star ran this sketch sometime ago. It contains its own moral—the moral of the value of a publicly-owned hydro-electric system. The $35 difference per month goes into the pockets of the private owners.

THE scene was California, the time, 1922. The occasion was the organization of the Greater California League, formed at the instance of the California public utilities corporations to fight the Water and Power Act, which California citizens had proposed for the public development and operation of electrical light and power plants in northern California.

Enter Mr. Eustace Cullinan, employed by the power companies of California. Mr. Cullinan proceeds swiftly to the platform. He takes the seat of the chairman. He gazes around the room. It is full—of empty chairs! His gaze rests on the mirror full length on the opposite wall. The mirror throws back a perfect reflection of—Mr. Cullinan.

"Ah! the audience," he muses. "A most representative audience, too. Now, we will begin business."

"The first item of business," says Mr. Cullinan to his distinguished audience, "is the election of the president of this great and glorious League."

He nods to his audience. His audience nods back.

"I nominate," says Mr. Cullinan, the audience, "our worthy chairman as president of the Greater California League."

"Do I hear any other nominations?" asks the chairman of the audience. The audience answers in the negative.

"I therefore will consider Mr. Cullinan unanimously elected," continues the chairman.

Applause from the audience.

"The next business," declares the chairman, "is to give the president of the Greater California League full power to receive and dispense all

monies from any public utility corporation whatsoever without keeping any books or accounts of any kind, and to permit him to expend all sums received in such manner as to him seems most effective in defeating the water power act before the people. It is either a dictatorship by Mr. Cullinan or a dictatorship of 'reds' and demogogues. I recognize Mr. Cullinan, our audience."

Mr. Cullinan, the audience: "In view of the public perils, I move the adoption of the recommendation of the president."

Mr. Cullinan, the president: "The business of the meeting being satisfactorily concluded, we are now adjourned."

A farce? No, hard facts. Before the California Senate Committee, the same Mr. Cullinan, the chief dispenser of funds in the corrupt campaign against the referendum for the development by the people of their electric light and power, has this to say about the origin and control of this supposedly representative body of California citizens, the Greater California League.

The League Is—Me!

"It was like most of these political groups or committees . . . never had a meeting . . . I appointed myself president. I was employed by the power companies, through Mr. John S. Drum . . . and met, with myself, after the employment, and organized the Greater California League. . . . The Greater California League never had control of the money (campaign contributions) at all. I put that money in the bank as I received it to an account called 'the Greater California League,' but no one had access to that account except me."

Mr. John Sylvester Drum, through whom Cullinan testified that he was employed, was, it may be said passing, the same Mr. Drum who, in 1920-1921 headed the American Bankers' Association—the association that has just come out so vigorously against "radicalism" and the public ownership "menace;" the same Mr. Drum who for years has faithfully served the private electric light and power interests of the state of California as Director of the Pacific Gas and Electric Company, Director of the California Gas and Electric Corporation, and Director of the San Francisco Gas and Electric Company.

Backed by the "Greater California League," and aided to the extent of more than a half million dollars by the public utility corporations of the state, Mr. Cullinan began the delicate task of reaching, with the strongest kind of arguments he was able to muster, men and women who occupied strategic positions in all walks of life. One of San Francisco's prominent labor leaders became an enthusiastic advocate of private ownership and operation upon receiving a sum of $10,000 to be used in an educational campaign against the Water and Power Act. Social leaders receiving a neat little sum for their trouble, whirled from one parlor meeting of women's clubs to another to pay eloquent tribute to the efficiency and public spirit of the private electric light and power companies and to warn the good ladies of the state against the bolshevistic danger of public enterprises.

Half a Million to Defeat the Bill

According to Mr. Cullinan's own admission, $501,605.68 was spent to defeat the bill. The admission was made only after the campaign was over, an investigating committee had been named and Mr. Cullinan and others had been subjected to the severest kind of cross examination. Advocates of the public ownership measure believe that at least twice the amount named was paid out in the campaign by the private interests.

The Senate Investigation Committee thus describes in restrained language some of the practices resorted to during this campaign:

"Another practice, shown by the testimony to have been extensively resorted to in the campaign and calculated to work deception on the voter, was that of employing as campaign workers, persons prominent in commercial bodies, farm organizations, labor unions, social, literary and civic clubs, without these hired representatives disclosing their employment. In this way members of organizations were kept in the dark as to the real motive of fellow members who were apparently disinterested in their views.

"In the selection of campaign workers from the ranks of organizations, frequently members of the greatest prominence were selected, so as to leave no doubt in the minds of the committee that these representatives were being hired, not for the services that they might render, but for the influence that they possessed by reason of their standing and reputation as disinterested members commanding the confidence of their follows and actuated only by considerations of the welfare of their organizations. These workers were frequently furnished with expense accounts which might properly be designated as 'influence money.' In several instances no room for doubt is left but that the employment of members of organizations was for the purpose of securing the endorsement and influence of the entire organizations.

"To such lengths was this practice carried that in at least two instances those who held salaried positions obligating them to work for measures on the ballot that their organizations had sponsored, accepted employment from opposing interests to work against the very measures that they had been employed to further.

"Popular government and direct legislation have no greater menace than that in which propaganda on electoral matters is disseminated by paid workers in lodge,

church, club, farm bureau, union or other organizations under the guise of honest and disinterested advice.

"That such methods and such expenditures are contrary not only to good government but to public opinion is apparent from the results that take place when the public become aware of the truth."

The Committee went on to denounce the adoption by the forces of special privilege of such names as the "Greater California League," a name which "readily gives the impression of being a promotion organization which every citizen of California would feel free to join, and having nothing in its name to indicate that it was a political campaign organization."

Winning the Press

The opponents of public ownership did not miss the press. The Senate Committee, during the course of its investigations, asked the Pacific Gas and Electric Company for a statement of its expenditures for advertising for each month during the year of the election (1922) and during the preceding year (1921). The advertising other than that relating to stocks and bonds, the Committee found, amounted to $83,000 in 1921; $117,000 in 1922, an excess of expenditure during the campaign year of $34,000, while during the final four months of the year—the campaign months—the expenditures were equal to those of the previous eight months. The companies deny that there was any connection between these larger expenditures and the campaign against the Water and Power Act. But many thousands of citizens of California take the denial with a grain of salt.

The High Cost

The California case is merely another instance of the cost of private ownership of public utilities and natural resources. The people of the country give long term franchises to private interests to supply them with light, with power, with transportation. They are charged "all that the traffic will bear." Suddenly they wake up to the knowledge that the corporations which owe their life to the people are exacting from them a toll of millions of dollars annually, that they are corrupting civic and political life, laying a heavy hand on the press, vitiating the educational system. Those who know the facts determine to arouse the indifferent to recover their heritage.

All that it is necessary for the public utility corporations to do is to divert some of the large profits resulting from excessive charges to the "education" of the people's legislators and newspapers and leaders of public opinion—and presto, the corporations are made to appear to the indifferent citizens as angels of light; the defenders of the people's interests, as heralds of destruction. And the robbery continues. The fight, however, has just begun and the defeat of today is laying the foundation for the victory of tomorrow. For the people are learning that the cost of private enterprise is too great.

In marked contrast to the situation in California is that in Ontario, Canada. It was some twenty years ago that a few public spirited citizens of that province,—the most conspicuous of them Adam Beck—came together for the purpose of considering how the people of that province could best serve their own interests in the development of their power and light from the great water falls within their boundaries—the greatest of them Niagara Falls.

Adam Beck—now Sir Adam—laid down as a fundamental principle that the cities of the state, in cooperation with a provincial commission, should develop and operate their own hydro-electric plants, and supply their people with power and heat at cost. Sir Adam had been to Germany. He had seen exhibits of electrical machinery used by the farmers of that country. Under the then prevailing conditions in Canada he knew that no farmer in the thinly populated province of Ontario could afford to use electrical machinery and pay the prices then charged by private corporations. He knew that no privately owned corporation would bother to supply electricity to many of the farming districts—for they couldn't make a profit in many years and couldn't afford to wait until the country sufficiently developed. Only a public enterprise could be expected to give adequate and cheap service to the rural districts. The foundation of the province's wealth was agriculture. Life on the farms must be made less of a burden. Sir Adam saw a great vision of a prosperous and happy countryside. He began "his long hike," as he expressed it, toward a great publicly owned hydro-electric undertaking.

What Ontario Did for Itself

Sir Adam and his followers had other reasons for deciding on public as against private development. Ontario had heretofore been dependent for its power largely on the coal received from the United States. Its citizens had learned the uncertainty of depending too much on commodities supplied by private corporations. They had seen the corruption following in the wake of big utility corporations in the United States. They had observed the watered stock, the overcapitalization, the exorbitant charges, the large dividends, the

high salaries, the nepotism attending the operation of natural monopolies both in their own country and across the border.

They went to the Ontario legislature. In 1903, they secured legislation enabling municipalities of the Province to appoint a commission to investigate the possibilities of supplying and distributing hydro-electric energy to the people of the Ontario cities. Seven cities shortly after secured the appointment of such a commission. The report this commission prepared led to the creation in 1906 of the now famous Hydro-Electric Power Commission of Ontario. In 1908, the commission supplied 1000 horsepower to a few municipalities. Today, it distributes about 60,000 horsepower to more than 350 Ontario cities and towns; operates twenty-two water powers, controls with the cities power plants and transmission lines valued at $250,000,000; is now constructing the largest hydro-electric power development in the world—the Queenston-Chippawa plant on the Niagara River; is the possessor of two of the three great plants at Niagara Falls formerly operated by private companies, and is dreaming of further big developments on the St. Lawrence River.

What has this great partnership of province and municipalities for the generation of electrical power accomplished?

(1) It **has saved the people of Ontario something like $100,000,000 in reduced lighting and heating bills.** In Toronto, 90 miles from Niagara Falls, the average net charge to consumers, inclusive of all charges is, for residence service, 2.1 cents per kilowatt-hour; for commercial service, 2.7 cents, and for power service, $22.58 per horsepower per year. In Hamilton, 50 miles from Niagara Falls, the residence rates are even less—1.9 cents per kilowatt-hour; for commercial service, 1.3 cents; while in Windsor, 250 miles from the Falls and the plant, the residents obtain their light for 2.6 cents.

In refuting the misleading report of William S. Murray, employed by the National Electric Light Association of the United States, regarding the Ontario development, Ontario engineers showed that the difference between the bills of Hamilton, a "hydro" city, and of the cities where private ownership prevails—Montreal, Buffalo and Detroit—range from **5 to 600 per cent in the case of Montreal, from 50 to 400 per cent in the case of Buffalo, and from 75 to 500 per cent in the case of Detroit.** In each instance the difference, of course, is in favor of the Ontario cities. **Forty-three dollars** a month is the price paid to a private corporation for lighting of the American side of the International bridge at Niagara Falls. **Eight dollars** a month is the price charged by the publicly owned Ontario Hydro-Electric plants.

(2) The people of Ontario are not only paying far lower prices for electrical current than are their brothers in "private ownership cities," but. with those smaller charges they are gradually paying for their enormous plant. In many instances, the amount already laid aside by the cities in their sinking fund has fully covered construction costs.

Farmers and Workers Benefit

(3) Electricity has been transmitted under public ownership to remote farms and has greatly reduced the drudgery of farmers and their families. Water pumps, cream separators, churns, milking machines, and all machinery usually worked by man or other power are increasingly being worked by electricity throughout the Province of Ontario.

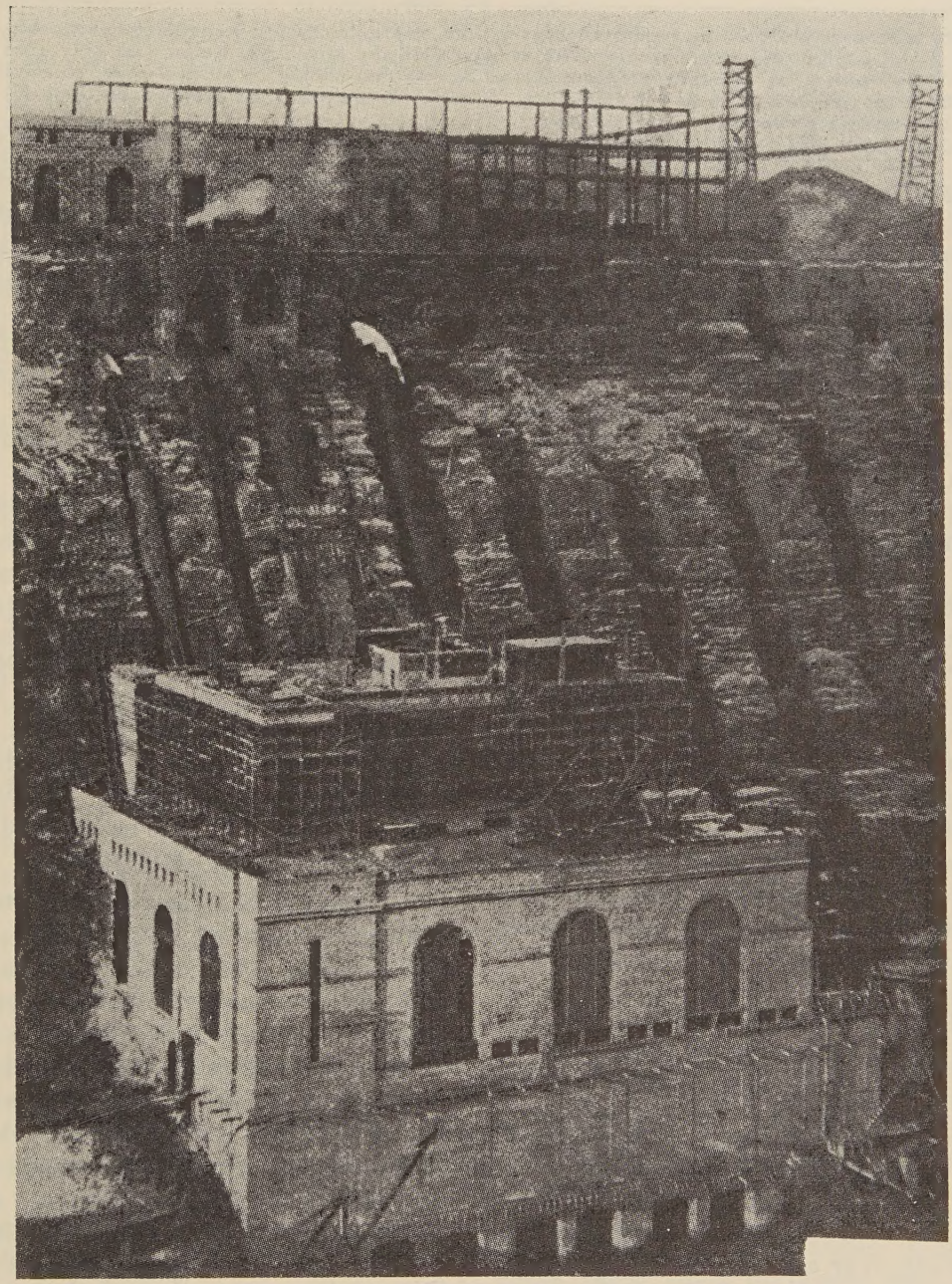
(4) Electricity has been introduced into the home of an ever larger number of workers, and its use in cooking, washing, ironing and lighting has been a godsend to the overworked housewives.

(5) The business of supplying electricity has been divorced from stock watering, graft, favoritism, profiteering. Sir Adam Beck and his coworkers on the Hydro-Electric Power Commission and Chief Engineer Gaby and his corps of six hundred able engineers from the schools and universities of Canada and the United States are devoting their best energies to this great public undertaking for a moderate compensation for services rendered without any thought of private profit. A provincial investigation commission, appointed by the enemies of public ownership, and expending in their investigation perhaps a million dollars, has not as yet charged the commission with a dollar of graft.

(6) Ontario has been freed from the corrupting influences which have accompanied private ownership of electrical light and power in the State of California and other states of the Union.

This Province will be developing before many years its water power on the Canadian side of the St. Lawrence River and supplying the electricity so generated to its citizens at cost. The American people will also be developing the water power on the American side of the St. Lawrence. Will that development be left to private profiteering, or will it be developed by the American people and sold also at cost?

THE QUEENSTON-CHIPPAWA DEVELOPMENT



The Greatest Hydro-Electric Plant in the World

THE Queenston power house—newest development of the Ontario Hydro-Electric Power Commission. Its potential output, when completed, will be more than 600,000 horsepower—the greatest hydro-electric plant in the world. A plant owned, not by private exploiters, but by the people of the Province of Ontario.

The Railroad "Minotaur"

Private Ownership Makes Cost Mount Higher and Higher

By CHARLES M. KELLEY

THIS article should be read by everyone who wants to know what private ownership of superpower would mean. The railroads tell the tale. Mr. Kelley can only give us part of it. At that, he has given us figures that should be studied over, learned by heart and passed on to our neighbors. It will help explode the "propaganda factory" of the private interests.

JONAH'S gourd has a rival in rapid growth, in the sky-soaring charges for transportation under private ownership of our railroads.

Zev's speed is as the crawl of a snail compared to the pace at which these charges fly higher and higher.

During this year the railroads will take from the American people about $6,500,000,000. Stop and look again at these figures. They are practically double the entire costs of keeping up our national government during the same period. And in the government figures are included not merely ordinary costs, but the heavy burden of interest and other charges hanging over from the World War.

"Well," you may say, "those figures are big, but what do they mean after all? Do they not meet necessary expenses?"

Alas, they do not. They meet expenses, "necessary" perhaps for private ownership of a public utility, but not necessary for the running of a railroad. A by-no-means small portion of the vast sums collected each year from the public has been used to keep from the people the true state of affairs. During the past five years scores of millions of dollars have been devoted to the railroads' "propaganda factory."

The "Propaganda Factory"

This "factory" has been busy in turning out charges that the existing high rates come from "inefficiency" during the government operation of the roads. It matters little to them that the roads were taken over as a matter of necessity, because of their completely broken-down condition. It matters little that former Director-General McAdoo has shown conclusively that government operation, with all the handicaps of the war, actually built up the roads and put them on their feet again. The "factory" must turn out its false stories, in order to keep down the widespread discontent over the present unreasonable rates.

Let us look further at the records of the railroads, as compiled by the Interstate Commerce Commission. These figures show the enormous cost of transportation today, compared to years gone by. It is only when we see these figures that we realize the full meaning of the load the public is carrying, and will continue to carry, under private management.

In 1912 the railroads had a traffic amounting to 264,000,000,000 "ton miles of revenue freight" and an operating income of $2,900,000,000.

In 1922, the last year for which complete figures are available, the same roads carried 339,000,000,000 "ton miles of revenue freight" and had an operating income of $5,500,000,000.

You can see what those figures mean. They mean that **while the service given by the roads was increasing but 28 per cent, the cost to the public went up 91 per cent.** A nice, fat difference, so far as the railroads—and the bankers back of them—are concerned.

What the Doctored Reports Show

But that is not all. The records of the Interstate Commerce Commission are taken from the railroads' own reports. These reports are notoriously "doctored," to make the best possible showing for the roads. And yet, they show that from 1908 to 1922—just 14 years—the service given by the carriers increased not quite 60 per cent, while the cost of that service went up 225 per cent!

And the end is not yet. This year, as we have seen, the income for the roads will be a round billion dollars more than their income for 1922—being the highest of any year in their entire history.

High as these revenues are, we have it on the words of the managers themselves "that they are still too low." The "propaganda factory" is turning out a continuous stream of argument, defending the ruinous rates and insisting that there shall be no decrease in rates until every

bankrupt road in the country has been made "solvent." Which means that every one of these roads must earn a net profit of not less than 5¾ per cent on heavily watered "book values."

If the much abused "public" will look a little closer into the financial operations of this year, they will see a few things that will make their eyes open even wider. No one can accuse Senator Cummins of Iowa of prejudice against the railroads. He carried out their every wish in fathering the Esch-Cummins bill, which returned the roads to private operation. But it will be remembered that the Senator denounced the rental paid the roads under federal operation as so "high that it shocked the moral sense of mankind." He contended that a cut of not less than $200,000,000 a year would still give the corporations a generous return for the use of their property.

Hiding the Profits

But under the operation of his bill, the combined net profits of the roads (with an annual income of more than $1,000,000) for the eight months ending August 30th of this year were about $70,000,000 greater than this rental!

Many of the railroads are now permitted to earn profits two, three and even four times the amount of the rental that shocked Senator Cummins. The "propaganda factory"—if the people once knew this—could not explain it away in a thousand years.

These are not the only flies in the ointment. For the past nine months, many of the roads have been spending their incomes in extravagant enterprises—hoping thereby to keep their profits at a point that will not arouse the public. The official records show that this year the roads will spend "only" $250,000,000 more for upkeep than was spent for a similar purpose in any previous year.

Even with this big diversion of funds, it is estimated by the Interstate Commerce Commission that the roads in 1923 will make a clear profit of not less than $1,100,000,000. One billion, one hundred million dollars! Never before was any such sum earned. It is practically $200,000,000 more than the war-time rental—admitted by everybody, except railroad managers, to be far too high.

An 18 Per Cent Dividend

While we are talking about this, it is interesting to note how this sum will be divided. The bondholders—who have put in at least 75 per cent of the money into the roads—will get only an average return of a little over 4½ per cent. The stockholders will be treated much better. If every road should declare a dividend, the return would be about 8.9 per cent on the "par value" (full value) of every share of stock—including billions of "water."

Do you know what this really means? Well, the market value of railroad stocks is perhaps 25 per cent less than the "par value." Many stockholders, also, secured their shares at less than half of par. Many others got them for nothing. A dividend of about 9 per cent on par, therefore, would be a return of close to 18 per cent on the money, invested in the proper manner.

It is probable that regular dividends will be declared by the fortunate roads for the time being, and the remainder of the huge profits turned over to a "surplus" fund. Later, when the public has been lulled to sleep, the "surplus" will be distributed as a stock dividend—a practice that a number of roads have adopted since the present law was foisted upon the nation. **Upon these stock dividends the railroads will demand the right to earn additional returns.** Thus, the burden on the people will be continually heavier and heavier. This white elephant can only be got rid of by ending the private ownership which makes it possible.

We must not forget that the Interstate Commerce Commission is allowing the roads a profit on $20,000,000 of value, although the total "par

HENRY FORD PROVES THE RULE

IN sending in his article, Mr. Kelley calls our attention to the high wages paid by Henry Ford's railroad—the Detroit, Toledo and Ironton—and its satisfactory financial condition. Its record shows the folly of many of the other roads in their anti-labor policy.

The average monthly wages on the Ford road are $185 per month, compared to $133 for the railroads of the country—or 40 per cent higher for the D. T. & I. But the D. T. & I. strictly enforces the six-day week and 8-hour day—which means that the rate per hour is much higher on the Ford road. The other railroads work much more overtime and Sunday work.

Ever since Ford established the $6.00 minimum per day, the road has paid its way and earned dividends. Never did it do this before in its history. It is the only road in the country, also, which has reduced the percentage of its income devoted to operation. This, in spite of the higher wages. All of which means that FORD'S ROAD IS AN EXCEPTION THAT PROVES THE RULE, THAT PRIVATE OWNERSHIP IS COSTLY AND INEFFICIENT.

THEY HAVE BEGUN THE FIGHT

SOME of the delegates to the Public Ownership League Conference at Toronto in September—who began the fight for a publicly owned superpower system for America. The campaign which they have launched looks to the creation of a Federal Superpower Commission, to develop a nation-wide, hydro-electric and superpower system, publicly owned and operated. They intend to appeal to the governors of all the states, to the state legislatures, and especially to the cities throughout the nation for their support in getting this superpower measure adopted. They pledge their support to all public officials and organizations who will fight for the public superpower system.

The Public Ownership League, in taking up this battle, has entered upon no small task. It deserves your cooperation in every way possible. How can you help? Write Carl D. Thompson, Secretary, Public Ownership League, 127 North Dearborn Street, Chicago, Ill. He will tell you.

value" of stock and bonds outstanding today is only a little more than $17,000,000. The roads themselves insist that the "book value" of their property is much more than this amount. Since 1916 there has been a real deluge of water through the increase of these "book values." Four billion dollars worth! This means that the roads have taken that much money of excess earnings, and put them into "capital," so that they could earn that much more on them.

"Water, Water Everywhere"

It is a story of "water, water everywhere." Fourteen western roads have issued half a billion dollars worth of stock, for which the roads received absolutely no cash for the improvement of the service. Dividends actually paid on this stock in one year amounted to $43,167,000. Seven other western roads have fictitious capital stock amounting to $209,999,999—every dollar of which is clamoring for dividends. In ten years six eastern roads distributed $101,000,000 in stock bonuses above and beyond dividends. Every share of this stock is now a burden upon the railroad tax bill of the nation.

So it goes from bad to worse. Figures could be quoted until you and I would be blue in the face. This scandalous practice is one of the chief reasons for present high railroad charges. It explains why the cost of service has gone up so greatly, while the service rendered has increased so little. It explains why the roads wanted the present Esch-Cummins Act, with its guarantee of earnings.

This is only part of the picture. An unwise labor policy—based on the managers' desire to please their banking bosses—has cost the roads millions of dollars, for which the public has had to pay. Then, there are the millions paid for propaganda, for the corruption of public officials and for the graft that is collected by unscrupulous managers. To top it all, we see the useless duplication of equipment and of costly depots (of roads supposed to be in competition), the salaries of unnecessary officials and other things that will remain a drain upon the roads' incomes as long as the nation tolerates private management.

Private Ownership, in fact, is like the "Minotaur" of the old Greek story—the monster who demanded so many human lives each year to keep him well and happy. Private Ownership of Railroads demands the lives of the farmers and workers, by starving them through low wages and high rates. The only way out is through a Farmer-Labor combine which will kill this monster, as did Theseus in the story book.

The Wastes in Coal

Explaining Your Coal Bill

By H. S. RAUSHENBUSH

"WHY is your coal bill so high this winter?" Is there a man with soul so dead, that he will not prick up his ears at this question?

Mr. Raushenbush tells us of the wastes, without excuse, which cause coal prices to mount higher and higher. The way to stop their mounting is the way the hard coal miners have suggested—make them a cooperatively-owned affair, managed by the workers, the technicians and the consumers.

IT is an open and much-used road to public attention to subtract the present situation in any industry from the ideal one, and to call the difference a "waste."

The fact that the ideal industrial situation is so far away in time and can, apparently, not be reached in any one industry alone, should lead us to consider as "waste" mainly those defects in production and distribution that are avoidable within the present order of things. It is in that sense that I use the word here.

When the thickly populated East becomes wrought up about the coal situation, it is of anthracite or "hard" coal that it is thinking. This industry furnishes the coal for use in most of the homes of the country. About 80,000,000 tons of this coal is turned out annually, of which 70,000,000 tons is distributed. The remainder is kept, to generate power at the mines.

The bituminous, or "soft," coal industry produces about 500,000,000 tons a year—used all over the country and sent to Europe for commercial use in factories, mills, railroads and the like.

So much for a picture of the industries. Now, about the wastes:

Idleness—Curse of the Miners

The most frequently noted of these is that of unemployment and idleness of the mines. This is caused by disorganization of the industry and of the markets. The bituminous industry employs about 600,000 mine workers, **who are idle at least 27 per cent of the possible working days of the year.** This is due to the fact that more mines have been opened than are needed to meet the demand for soft coal. The capacity of these mines has been estimated as being 40 per cent greater than the normal demand of the country. In the anthracite industry 150,000 mine workers lose about 12 per cent of the possible working days each year.

An additional part of the possible working time is frequently lost by strikes for higher daily wage rates, to offset the idle time. Such strikes have in recent years lasted as long as five months.

The cost of the idle time is borne to a large extent directly by the idle miners and their families. But it is also a burden on their communities and the whole country. These suffer through the miners' inability to afford proper health service and education for their children, and their inability to purchase as much of the food and other goods as they would be able to if they were working steadily. The cost of keeping up the mines when they are idle is not borne by the mine operators, whenever they can pass it on to the public in the form of higher prices. In 1920 Coal Commissioner John P. White, representing the United Mine Workers of America, presented facts and figures to show that the public paid the bituminous operators for "maintenance and profits" during the times the mines were idle an average annual sum of $100,000,000. In 1917 this went as high as $144,000,000, or $225 for each man employed. A tidy, little sum, it must be admitted.

This is the first waste: Idle men and idle mines, made worse by the fact that new mines are constantly being opened. The release of the 100,000 men to other industries who are not needed for mining depends upon the closing down of a large number, literally thousands, of the smaller bitumious mines. Because of the immediate expense of this step, it is fairly clear that it cannot be done until the ownership of the mines and unused coal lands rests with a large monopoly or with the government.

Soft Coal Helps the Hard Coal Operator

This scattered ownership is of advantage to the large anthracite operators. Because they own the coal lands and have the advantages of

large-scale organization, these operators as a rule produce more cheaply than the small operators. These "independents" have to lease their coal lands, paying "royalties" ranging from a few cents to over two dollars a ton. (These "royalties" are rightly named, as they are a real "tribute," paid to people more useless than kings, so far as the improvement of the industry is concerned.)

During a wage dispute such as in 1923, a mediator quickly finds out that while the average margin of all the operators is over one dollar per ton, the margin of a small group of them is apparently so low that they can bear only 10 cents of a 70-cent per ton wage increase before they start cutting into a fair profit. So the mediator finds that he must allow the remaining 60 cents to be passed on to the consumer unless it can be taken out of railroad rates or distribution.

"Passing It On"

This "high-cost-low-profit" group turns out less than 10 per cent of the annual hard coal output. Yet, its existence in the field enables the remaining 90 per cent—which has a margin considerably over $1.00—to refuse to bear all they could. It is then passed on to the public exactly as the cost for strikes or idle times is passed on. The exact amount that the operators take, over and above a fair profit, cannot be estimated until the investment figures collected by the U. S. Coal Commission are made known. That it will be, in the anthracite industry alone, over $50,000,000 annually seems probable.

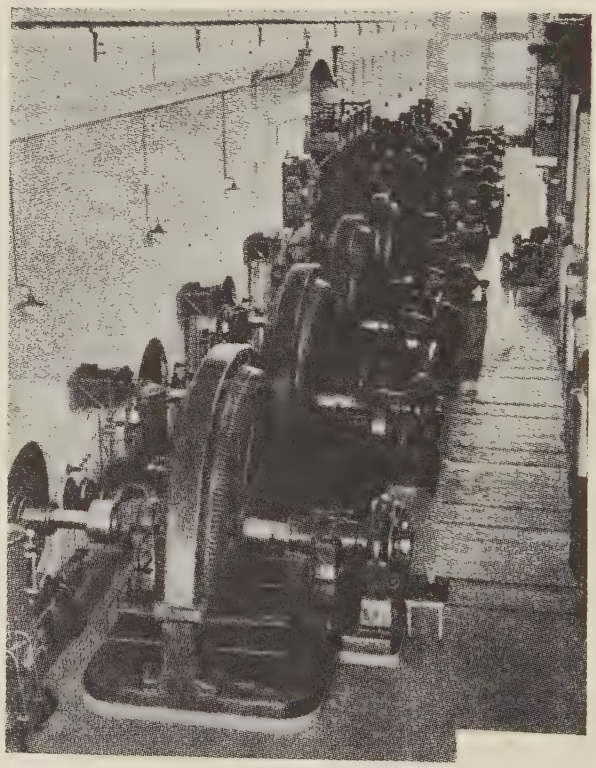
In a general way it may be said that the soft coal mines go back and forth between a cry of "no market" and a cry of "car shortage." In 1918, a war year, 49 per cent of the idle time was laid to car shortage and only 8 per cent to the fact that there was no market for it. In 1919 the situation had reversed itself. Fifty per cent of the idle time was blamed to the lack of market, and 17 per cent to the car shortage. The coal operators lay the blame for the car shortage on what they are pleased to call the disorganization of the railroads. The railroads lay the blame on the short sightedness of that heedless animal, the consumer. He buys by fits and starts and frequently during the fall when the railroads are busy with the grain shipments, and refused stubbornly to store any great amount of coal on his premises.

"Cross Transportation"

The amount that the disorganization of the railroads costs the consumers is difficult to estimate. The waste in "cross transportation" alone would amount to a considerable sum. Coal from Indiana, for example, goes into Illinois and coal from Illinois into Indiana, passing each other on the road. In presenting their case to His Majesty's Coal Commission in 1919, the British Miners Federation declared that the cutting out of this "cross transportation" would cause a large saving, which they proposed to use in the form of higher wages. What is true in a country as small as England would be possibly five times as true in this country, with its scattered coal fields.

The anthracite industry does not lack for cars as a rule. Ninety per cent of the total output is controlled by certain railroads, and it is to their interest to furnish all the cars they can. **During the fall following the long strike of 1922, the Delaware & Hudson did not move its coal, considering it more important to defeat its shopmen who were then on strike.**

The rates charged on hard coal have been the cause of frequent argument and much adjustment. The anthracite miners maintain that



"GENERATORS IN YOUR PLANT"

Thus does the Hydro-Electric Commission term these big generators in the Point du Bois Plant—in the Hydro-News, issued for the people of Winnepeg.

ANOTHER AND FRIGHTFUL WASTE!

Waiting at the pit of the mine for news from their dead and dying underground, in the latest Pennsylvania mine disaster. Caused, as so often is the case, by the neglect of the private owners to safeguard their men.

they are one dollar per ton higher than the rates on soft coal on a 350-mile haul, and should be reduced by at least that amount. This would mean a saving of possibly $70,000,000 each year! The question of this cut is now before the Interstate Commerce Commission.

"The main inefficiency of the railroads is that they carry any commercial coal at all." So say the advocates of the super-power developments. They propose the use of electricity generated at the mines, instead of steam generated under the boilers at each factory. While this would mean a great outlay at first for power plants, transmission lines and equipment, it is claimed that the power could be furnished at a fraction of its present cost. The danger of placing the power of the country in private hands is probably clear to those who remember our railroad history, ancient and modern.

The Middleman's Fat Gain

Then, there is the "middleman." Excess profits, ranging in panic times as high as $6.00 a ton, are occasionally taken by the jobbers, wholesalers and retailers. Their success in doing this is due largely to the fact that coal comes into the market (be it Buffalo, New York or Indianapolis) at varying prices. Some anthracite in 1922, for example, sold f. o. b. the mines at $12.00 a ton. Possibly 70 per cent of the domestic tonnage sold at a figure much nearer $8.30 f. o. b. the mines.

A dealer in New York, however, would pay the same transportation and handling charges on shipments at both prices. If he sold them both at the same profit he would be what we, loosely speaking, might call an honest man. If he sold both shipments at the higher price he would pocket $3.70 a ton extra on the lower priced shipment, and the majority of the hard coal is lower priced.

In 1923 the anthracite miners estimated that the excess charge—the waste—under the present system of distribution averages $1.35 per ton on all sizes. This makes $94,500,000 annually! They backed up their statement in June, 1923, by passing a resolution unanimously urging city-owned and controlled distribution of coal. Through their representatives, they have also told the U. S. Coal Commission that wastes at the mine can never be permanently done away with until cooperative ownership, with three party control, is set up.

These proposals by the miners are the only definite answers that have been given to the question, "How can we keep down the price of coal?"

The Menace to Public Education

Reactionary Interests at Work, Says A. F. of L. Committee

NO force was more responsible for free public education in America than the American Labor Movement.

It was the demand of the organized workers which led to the establishment of the first free schools, under public auspices. At its first convention, in 1881, the American Federation of Labor declared "in favor of such legislative enactments as will enforce, by compulsion, the education of children." During the years that have passed since then, it has taken its stand for wider use of the school plant, larger salaries for teachers and larger corps of teachers, and for other steps toward "democracy in education."

Therefore, it was with some dismay that the organized workers saw, during the Open Shop Campaign, the beginning of an effort to throttle the public educational system. The Education Committee of the A. F. of L. determined to learn how far "selfish interests" had gone in their effort to use "the public schools for propaganda purposes." Such activities, the Committee felt, "strike at the very heart of successful democracy," tearing down the structure of public education which Organized Labor had tried so hard to build up.

An investigation of the social studies carried on in the schools, the methods and text books used, has been the result. A full report of what the investigation led to was presented to the American Federation of Labor and is now published by them in pamphlet form. From it we learn:

War Hysteria and "Americanism"

There has been a real effort by reactionary interests to influence the public schools against the workers and progressive movements. Teachers have been expelled for holding views "distasteful to industrial, commercial and financial groups, or even for joining teachers' unions." Organizations in quite some number have sought to shape public education, according to their own special views.

Out of the war hysteria against "radicalism" arose this effort to shackle education and make it serve the interests of certain groups. This spread like wildfire through press, pulpit and other channels of expression, attacking "ordinary liberal movements and organized labor" itself. Well was this seconded by the propaganda of national organizations. "The reappearance of sanity and liberalism" checked much of the ill effects of this hysteria. But the national organizations continued their work—"and it is with these," says the report, "that we must deal."

Let us take a look at these organizations, at work within our public school system. Those bodies "not primarily interested in education" which have tried to influence the schools to their way of thinking are, says the report: "American Bankers' Association, American Civic Association, 'America First' Publicity Association, American Legion, Better America Federation, Chamber of Commerce of the United States, International Association of Rotary Clubs, Inter-Racial Council, National American Council, National Association for Constitutional Government, National Association of Manufacturers, National Industrial Conference Board, National Security League."

"Many of them," we are informed, "use terms such as 'Americanism,' 'Americanization,' 'Loyalty,' Patriotism,' etc., which seem quite admirable to the average citizen, but which, when translated into concrete terms under the influence of such a body as the 'Better American Federation' often mean opposition to any action or opinion having the slightest liberal or progressive tendency."

Freedom in Education

Then, this demand is made for real freedom in education: "The American labor movement does not wish public education to be influenced by partisan bodies of any kind. The persons most competent to judge in detail what should be taught and how it should be taught are those who are themselves engaged in the educational profession. The American Federation of Labor does not wish to exert, even in the smallest degree, the same kind of influence which reactionary organizations are attempting to exercise. It merely wishes to assist the educational profession and the general public to resist the encroachments of those who are attempting to use the schools in their own interest."

To make this freedom secure, local labor bodies are appealed to, to fight on any and every occasion against "the reactionary drive" in public education. But "the best protection" will come from the organization of the teachers themselves. The growth of the American Federation of Teachers is the best means of public defense, "since this organization is consistently and effectively working toward these objects for the rank and file of the teaching profession."

The Teachers' Unions

Social sciences should be taught in the schools, the Committee finds, much more extensively than they are at present. They should, in fact, "become the backbone of our educational system," because they deal with the realities of life. Among these sciences the study of the Labor Movement should take an important place, according to the opinion of numerous educators questioned by the Committee. The text books used in the schools, though improving so far as the treatment of labor is concerned, must still undergo further improvement. "Errors, misstatement of facts, and misplaced emphasis are sometimes found."

Thus has the Labor Movement taken its stand once more for educational freedom. Some day it may find itself warranted—or the organized teachers may find themselves warranted—to attack the Prussian method of teaching, which tends to turn out our children as so much mechanical fodder for the Machine System.

But it has hit the nail on the head. The future of the educational system lies with the educators themselves. **Nothing can be accomplished toward freedom or progress in our schools until the teachers are organized in their unions, under the banner of the American Labor Movement.** Thus organized, they will be strong enough to see that the schools are kept free from the influence of the paid propagandist and the Big Interests back of him.

The Twilight of the Gods

Germany Goes to Pieces—and Europe May Go With It

HOW futile seems Man, the midget, as he struggles to impose his hate and greed on his fellows. A thousand worlds above him, and a million years of slime, rock and animal evolution mock his insane efforts.

France is the Mad Man of Europe today. "Ten million marks for a four-pound loaf of black bread." This it is which causes the hunger-crazed German workers to forget their usual docility, and to try for bread by force. All through the "Deutsches Reich" the armed forces of the "Republic" have won bloody victories over starving workingmen. Tomorrow and the next day these civil struggles will become even more intense.

turns a deaf ear. Her complete victory seems almost at hand.

But victory is often next door to defeat. Germany—torn asunder and dragged down by economic chaos—may drag the whole of Europe with her. Lying in the center of Europe, all other countries will be deeply injured by her collapse. France herself will not be the least affected.

The thing that has told for France in her game of imperialism has been the fact that Germany is intensely a capitalistic country. Even the Social Democrats have hesitated to seize the property of the war profiteers and captains of industry—in order to meet the needs of the people and to pay France. At the same time, beset by

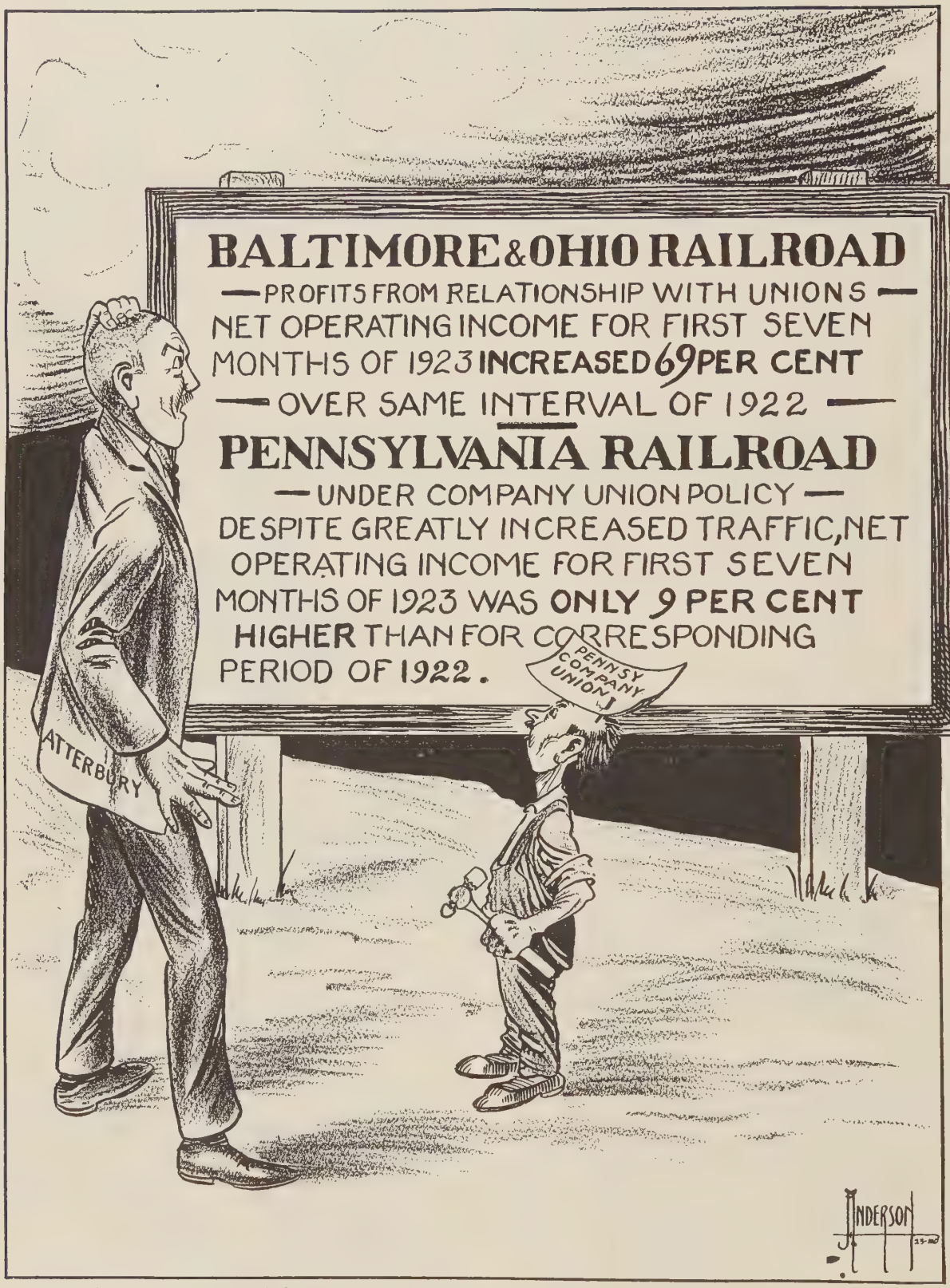
GERMANY TODAY

In distress, the German ruling classes turn to a dictator as their hope. But Bavaria, playing her old role of bad child in the German family, declares for royalty with a dictator of her own. Saxony and Thuringia—"the red heart of Germany"—openly defy the dictator with a Socialist-Communist alliance. Caesar's comment on Gaul seems to be coming true of the new Germany. It is splitting into three parts: Monarchist, Communist, "in between."

France, seeing this, rejoices in the success of her policy of iron. The dismemberment of the German State—as Arthur Ponsonby has pointed out—not reparations, has been the goal toward which she has been striving. To Britain's demands for easier terms for the Germans, she the Communists and Fascisti—both united on a die-hard fight against France—the center Socialists go round in circles, trying to bring order out of chaos.

The German puzzle—the key to the European puzzle—as yet remains unanswered. Whatever the answer may be, it is clear that the old order vanishes. German capitalism can never recover from the flood of marks and the break-up of the empire. European capitalism can never finally recover from Russia, Germany and the resulting outcome in England. The Twilight of the Gods for our present system—which that interesting professor, Werner Sombart, saw in the offing—is now here.

What is to follow? The full victory of Labor, let us hope, and of Voluntary Cooperation.


BALTIMORE & OHIO RAILROAD
— PROFITS FROM RELATIONSHIP WITH UNIONS —
NET OPERATING INCOME FOR FIRST SEVEN MONTHS OF 1923 INCREASED 69 PER CENT
— OVER SAME INTERVAL OF 1922 —
PENNSYLVANIA RAILROAD
— UNDER COMPANY UNION POLICY —
DESPITE GREATLY INCREASED TRAFFIC, NET OPERATING INCOME FOR FIRST SEVEN MONTHS OF 1923 WAS ONLY 9 PER CENT HIGHER THAN FOR CORRESPONDING PERIOD OF 1922.
PENNSY COMPANY UNION
ATTERBURY
ANDERSON

Drawn for LABOR AGE by J. F. Anderson.

THE BAD JOB

He said he would "bust" the unions, but it looks as though he will "bust" the Pennsy.

Defining "Democracy"

Dictatorship Is Also Looked Into by the Portland Convention

FROM THE LABOR PRESS

TROUBLES OF THE "GENERAL"

BBOTHER ANDERSON'S cartoon, on the opposite page, gives at a glance facts which many words might not tell. "General" Atterbury's company union is not doing well, thank you. It has rejected the fundamental idea of Industrial Democracy—a strong union of the workers, controlled by the workers themselves. The "Real Story of the Company Unions" will be told in subsequent issues of LABOR AGE—beginning with the Pennsylvania.

THE Executive Council of the A. F. of L. —as duly set down in the last issue of LABOR AGE—declared for "Industrial Democracy" as the goal of the American Labor Movement.

The Portland Convention — as also duly set forth in prophecy in the same issue — agreed with the Executive Council, and endorsed this statement of Labor's "manifest destiny."

Thus, there is again brought up the question: "What does Industrial Democracy mean?" Riproaring Communists would define it as the "dictatorship of the proletariat"—a mighty difficult term to grasp in itself. The National Metal Trades Association, *et. al.*, would say that it meant the "dictatorship of the capitalariat" — which is very clear and definite indeed. To them "Industrial Democracy" and the "Open Shop" are terms equal, synonymous, the same.

Certainly, the A. F. of L. Executive agrees with neither of these answers to the question. Then, what is its answer? Perhaps it can be found in what happened at Portland, and the comments of the labor press thereon.

First, it must be remembered that, on the one hand, the Executive Council declared for service in industry instead of "for the purpose of producing private profit"; and that, on the other, it demanded government in industry by the various groups interested, similar to the "democratic" government in political life. President Gompers, in a series of articles now running in the **New York World,** expresses his fear of a "state bureaucracy." He will not have the workers "wards of the state, but rather citizens of the republic." He thinks that Congress might devote itself largely to "the repeal of restricting and useless laws"—such as the Sherman Anti-Trust Law and the Esch-Cummins Act. He is against "State Socialism"—not only in name but in fact; and wants a national Economic Congress, along side of the political congress. This will be vested with legislative authority over industrial matters and will be composed of representatives of industrial groups.

His proposal arouses the interest of the Social Action Department of the National Catholic Welfare Council. "Neither the report, nor the resolution in the convention dealing with the report," its latest news sheet says, "enters into details about the method or methods to be followed to secure an economic congress, or to put 'an end to final control by any single factor' in industrial life." There is nothing so specific, it finds, as the recommendation of the American Bishops "that labor unions for the purposes of collective bargaining should be supplemented by associations in which the employees share in the management of industry. Nor is there anything so specific as the Pastoral Letter's further recommendation that the workers should gradually obtain 'a larger share in the ownership of the lands upon which, and the tools with which, they labor'." It looks forward to further announcements as to details within the coming year.

The **New York Leader**—the daily now owned by the needle trades unions—thinks that the convention fell short in certain respects, where industrial democracy was involved. "It did not give us a program for a new day. It did not lay down plans or principles to guide labor in averting war, banishing waste, guarding against unemployment, giving labor a larger share in the control of industry, or many another problem

that comes home to every man, woman and child."

Though such an extensive program could scarcely be expected of one convention, the **Leader** finds that in two things the meeting might have taken more adequate steps. The one was, to correct the falling membership of the A. F. of L. The other, the task of bringing together leadership and rank and file in a better understanding. Later on, in a subsequent editorial, the daily indicated that some of the former trouble was undoubtedly due to the disturbances created by the "disrupting communists"—whose tactics the movement could not sanction.

The conservative **Chronicle,** organ of the Cincinnati Central Labor Council, also is of the opinion that the "union losses in membership" call for "a more agressive policy." "The unions," it says, "have in too many cases become indifferent and self-complacent."

The **Contra Costa Labor Journal,** organ of the Central Labor Council of Contra Costa County, California, praises "the several constructive measures adopted." These include "the stand taken for nation-wide public ownership of water and power—one of the momentous questions confronting the American people"; the campaign to organize the steel workers, the approval of old age pensions and the endorsement of the soldiers' bonus. It expresses regret that "the three burning issues"—amalgamation, an independent labor party, and recognition of Soviet Russia—were defeated so overwhelmingly. But it adds:

"Those who are impatient at the rate of progress made by the American Federation of Labor should remember that only through persistent agitation and education can unsatisfactory policies be changed. The man who joins a dual union because he wants action in a hurry is an enemy to himself and to his fellow-workers. The history of dual unionism is one long miserere of futility.

"Radicals who are disheartened by the apparent phlegmatic pace of the A. F. of L. should recall the very great deal that has been accomplished—the long hours that have been abolished, the wages that have been increased, the excellent labor legislation that has been secured. Our heterogenous population of workers—the hardest in the world to organize — moves slowly. Many progressive measures that are scorned now will be accepted in the years to come."

The **Wyoming Labor Journal** finds that in the convention "the gait was struck between the two extremes of communism and hyper-conservatism, and this was probably the wisest course taking into consideration the chaotic condition of the world today." Its chief criticism is the action of the convention against the formation of a new party. The **Pennsylvania Labor Herald** points to the strong endorsement of workers' education, which the A. F. of L. is now actively pushing. The **Toledo Union Leader** endorses the method by which the K. K. K. was attacked—significant because of the paper's location in Klan territory, Ohio. The **Oregon Labor Press,** organ of the Oregon Federation of Labor, commends the convention's action in seeking to curb the "usurped power" of the Supreme Court, "which menaces the very principle of our democratic institutions."

The **Milwaukee Leader,** however, hopes that "the sympathetic bond between the American Legion and the officers of the A. F. of L." will be "slightly weakened by the compromise in the Legion convention" on the K. K. K. The **Leader** refers to the continued intolerance of the Legion —shown by its recent effort to prevent Eugene V. Debs from speaking in St. Louis. The **Minnesota Union Advocate,** organ of the Minnesota Federation of Labor, declares that "the attitude and actions of the convention on many vital questions showed a pronounced reactionary tendency." It goes on to say:

"The Federation opposed independent political action, industrial unionism and the recognition of Russia, and sanctioned the disciplining of a central body for taking a contrary position. It did not give the American labor movement a chance to even hope for a change of program, and left it to retrace the bleak and barren road of reaction."

The Minnesota paper explains this situation by stating that the fear of the communists had driven many progressives "into the ranks of reaction."

The central body to which reference is made is the Seattle Central Labor Council—which had been accused by President William Short of the Washington Federation of Labor of endorsing the I. W. W., communism and dictatorship of the proletariat. The Council had been given thirty days in which to express its loyalty to the A. F. of L. This it did and thus retains its charter. The **Seattle Union Record** "takes the keenest pleasure in testifying to the fairness "of the A. F. of L. Executive Council in dealing "with the difficult situation in the Seattle labor movement" and heralds the settlement as "a victory for law and order in the Federation."

The expulsion of the communist, William F. Dunne from the convention, either was not mentioned in the regular labor press or was mentioned only with approval. Even the **New Majority,**

organ of the Chicago Federation of Labor and former friend of Foster, had no word of criticism for this action. The Minneapolis **Labor Review** is one exception that may be noted, thinking the action unjustified. Practically all the other papers take the view that the disruptive methods of the communists have made them real enemies of the American Labor Movement.

The communist organs, of course, are equally united and vigorous in their cries against the A. F. of L. action. Dunne himself is starred in the **Worker, Voice of Labor** and the **Labor Herald.** In the former he declares that the anti-red move showed the employers that "American Legion labor and Civic Federation labor" are against "any change in the present system." In the latter he relates how the "bureaucrats" squirmed under his criticism. "I told them," he says, "that they were as far removed from the struggles of the rank and file as were the employers they sought to placate."

The A. F. of L., however, had strong support for their action in the convention address of Frank Hodges, secretary of the Miners Federation of Great Britain. He pointed to the "crumbling of the trade union movement" as the work of communist disrupters. In an eloquent conclusion he drew the following picture:

"In your trade union movement, whether it be in the local, in the branch, in the district, or in the national, be on your guard against the individual who gets inside the organization and by stealth, by cunning, by methods which do not lend themselves to the light of day, endeavoring to break up your organization for the purpose of making you become the intellectual, moral and economic slaves of a system that is hidebound, cast iron, developed in an Asiatic mind which bears no relation to our Western conceptions of democratic freedom."

Much the same viewpoint is expresed by Max Danish, Managing Editor of **Justice,** in answering Scott Nearing in the **New York Leader.** Nearing had said that the A. F. of L. had made a serious mistake in rejecting the communists as members and delegates. To which Danish answers:

"What else could he have expected? For several years Dunne, as editor of the Communist 'Worker' in New York and as speaker and organizer for the Communists, maligned, attacked and vilefied the A. F. of L. As a mortal enemy of the A. F. of L. it was his right and privilege to do so, perhaps; but at an A. F. of L. convention he surely could expect no better treatment than was accorded him there. He was at least given a chance to deliver a lengthy talk, an opportunity which a non-conformist trade unionist or a Menshevik would have never been accorded at a meeting, let us say, of the Moscow Soviet."

SOVIET RUSSIA'S SIXTH BIRTHDAY

OUT of the mists of six years of blood and famine emerges the Russian Socialist Federated Soviet Republic to celebrate another anniversary.

This month in Moscow the red troops will be marching, the red flags flying, the country will be re-dedicating itself "to the war on Capitalism."

The Revolution came, to Labor forced to live in overcrowded hovels, damp and stale and dark, with a work-day of 12, 13 and 14 hours. It came to a peasantry, still the serfs of the nobles in fact if not in name—forced to a life of filth and squalor and without possession of the land on which they worked. It came to an intellectual class, harassed and exiled and killed for its belief in a greater freedom than the Autocracy would grant. Out of these elements arose the Whirlwind.

It was a different situation than exists in most of Western Europe. It led to an autocratic answer—the "dictatorship of the proletarat." It led to the persecution of the Social Revolutionaries and the Anarchists—a persecution as persistent and sometimes as cruel as under the Czars. It led to the Workers and Peasants' Republic, with the Marxian phrase—"Workers of the World Unite"—on its banner. The theories of the German professor had in part become realities.

Two things the Russian upheaval has shown, so far as testimony comes to us from that land of mystery. One is, the inadequacy of the State as a vehicle for Labor's advance. Out of the use of State machinery arose most of the defects and cruelty of the Revolution. Out of voluntary cooperatives, attacked unmercifully in the beginning by the Communists, has come the second and final salvation of the Russian people and the Soviets themselves. More and more are the cooperatives taking over the business previously conducted, bunglingly, by the State.

Senator Brookhart is the latest witness to bring this fact back to us from Russia. He also stresses the second point. It is, that the Soviets are here to stay, that the quickest way to bring order out of chaos is for the nations of the world to recognize them, that this will also serve to halt the fanatical propaganda carried on by their followers in many lands—to the harm of the local labor movements.

There is no hesitation on the part of the British Cooperative Movement as to what to do. The Cooperative Wholesale Society has just concluded the important Anglo-Russian trade agreement, by which Russian grain pours into the mills of the British workers. The great All-Russian Central Cooperative and the Soviet Government are the signators for the Russians. In return the British Cooperatives will sell their goods to Russia, including marine insurance and banking. It is hailed by their official organ as the biggest event in cooperative history since the opening of the original Rochdale store.

Thus, on the sixth year of the Soviets, the workers of the "two most stable governments in Europe"—Russia and Great Britain—are bound together in an international economic alliance. Out of that will come important things.

A Judgment of Solomon

What to Read in the "Science of Behavior"

By MARGARET DANIELS

(The Science of Behavior—of what controls our conduct and that of others—is of interest to all active labor men. The suggestions here made are, therefore, of great interest to you.)

SOLOMON was the wisest of men. In nothing did he show his wisdom more than in that much-used saying, "Of the making of books there is no end."

The little trickle of books in his day has increased to a dazzling and confusing Niagara. A man or woman setting out to get acquainted with things as they are or have been is sorely beset with the many volumes that appear in view, all demanding to be read.

When the new interest in psychology began, the flood of works about it also began. With many folks it became a fad, Freud or Jung taking the place of Marx as the prophet of things as they should be. They forgot that if there is anything we can learn from life, it is that Truth is not bounded by one theory of psychology, economics or any other science. So, from their eagerness, there came another deluge.

The growing interest of labor colleges and labor men in the study of phychology for everyday use, makes it unnecessary to apologize for attempting to select a few books really worth while from out of this great flood. There has been an increasing tendency, also, in psychology itself to link itself up closer with the daily life of man. It has set out to teach the individual the possibilities within himself, and the need for developing his energies to the utmost. At the same time, a new emphasis has been laid upon the individual's relation to the society in which he lives and moves and develops his being.

I have chosen a few books in which these tendencies are particularly shown. The judgment of a Solomon would almost be required to make a completely satisfactory selection. But these will be of help to any labor man wishing to read up on this comparatively new science.

William James the "Dynamic"

As early as 1892 William James was delivering lectures, later published as **Talks to Teachers and Students,** in which he vividly sounded this note of the newer psychology. With his usual brilliance and freshness, he states that his main desire is to get away from the older methods of chopping the individual up into distinct compartments. He will present the mental life of man as the sort of active unity he himself feels it to be.

From this point of view he shows the educational value of psychology and the importance of training people to the most effective kind of behavior. He gives a vivid picture of the instinctive reactions of a child and shows how these reactions can be modified to serve the most useful purposes in life. He then goes on to show how knowledge is acquired, how the mind registers experiences through attention and interest, and how through association and classifying, these earlier experiences become the mental stock by which all new experiences are judged. It is the business of the parent and teacher to help the child organize his mental material for **use.**

The classic chapters of the book are those on **Habit** and **Will.** The psychology of James is nothing if not "dynamic"—concerned with action and life. He uses his best art, therefore, to prove that it is the molding of the mind, feelings, and instincts of man to constructive **action** which made the "reason for being" of **Habit** and **Will.** Character is completely fashioned will. Definite, concrete methods of forming helpful physical, mental and moral habits given here cannot well be overlooked by anyone who wishes to "make good" in the battle of life. These chapters have been a Bible to many young people at the outset of arduous careers as well as when discouraged along the way. Worker, student, professional man, as well as parent and teacher, can gain rich inspiration from this book.

The Individual vs. Society?

Another volume well worth having on a labor bookshelf is James Horton Cooley's **Human Nature and the Social Order.** In it the author seeks to clear away the confusion which exists in most minds about the individual and society. In reality they are aspects of one and the same thing.

When we speak of society, or use any other collective term, we fix our minds upon some general view of the people concerned. When we speak of individuals, on the other hand, we disregard the general aspect and think of them as if they were separate. The difficulty with most of us lies in our common tendency to set the individual and the social over against each other as separate and antagonistic.

Now, nothing could be more untrue. The individual is rooted in the society into which he is born. His development takes on the color of his particular environment. It is intensely interesting to follow the author as he traces the development of the Self, in its voyage toward maturity —which represents the state when it is completely socialized.

The genius is the individual who has the capacity to take as his own the largest number of experiences and use these for the service of the group. Thus a Shakespeare in drama is not only a mirror of the Elizabethan Age. He is also a picture of all human situations and problems. A Darwin in science embodies the tendencies of his time and reaches out to the future. A Dante catches the eternal struggle in the heart of man as well as the spirit of the Middle Ages.

Leadership and Hero Worship

Cooley's discussion of **Leadership** is one of his most valuable contributions in the book. Representing in us all a vague tendency toward the ideal and superior, the leader is the embodiment of the prevailing standards of the group. From the small boy's worship of the policeman as hero, up through his devotion to desperadoes and soldiers, we see the leader as one who incites to immitation and acts as a spur to the higher realization of the Self. The type of leader a man follows is a mirror of his own mental content. Thus we make God in our own image, as Voltaire wittily remarks.

Are there any drawbacks to hero-worship? It depends on the character of the hero, says Cooley. The aim of educators should be to put the standards most worth following, before the child, in order to bring out those traits which will make him capable of standing on his own. After maturity hero-worship generally turns to admiration for the achievement of the man of power in business, industry, labor, or professional life. In times of stress the popular hero overwhelms the imagination of people, and we have the cause of the vogue of such men as Napoleon, Roosevelt, Wilson—and Mussolini!

Freedom

The book ends with an illuminating view of **Freedom.** This may well be studied and pondered over by all who are eager for more freedom in our industrial, political and social life. Freedom, according to Cooley, is not the absence of discipline, but its use in higher and more rational forms. A "free discipline" is one that controls the individual by appealing to his reason and conscience, and therefore to his self-respect. In the family it reverses the saying, "Spare the rod and spoil the child." It substitutes moral suasion and confidence for punishment. In the government, it relies on the growth of public opinion and education in the place of autocracy, the military and the police. In industry it means the education of the workers to a realization of their place as producers and the need for a united effort for control by them of the fruits of their labor. Freedom can be increased only with the increase of sympathy, intelligence and self-control.

It is a fruitful and inspiring book, full of suggestions for all interested in the social and economic problems of the present day.

A more recent attempt to deal with the practical side of psychology is Edgar J. Swift's **Psychology and the Day's Work.** It emphasizes still further the points made by James and urges man to use to the utmost his "untapped energies." In his chapter, **Preparation for Efficiency,** he shows how man uses his energies often in the most wasteful ways and leaves very little for creative activities.

Battling Fatigue

"Men as a rule," he says, "habitually use only a small part of the powers which they actually possess and which they might use under appropriate conditions. The human individual lives usually far within his limits; he possesses powers of various sorts which he habitually fails to use. He energises below his **maximum** (highest) and he behaves below his **optimum** (best)." It is in the organization and harmonizing of our activities that we pave the way for highest efficiency and truly creative activity.

Closely allied with the above chapter is the author's discussion of **Fatigue** and its injurious effect upon the mind and body of man. He is not content to point out the causes and results of fatigue. He offers remedies. Experiments have shown that physical endurance can be doubled

by care in what we eat alone, or doubled by exercise alone. By both together, it is not unlikely that it can be tripled or quadrupled. This means a removal of the fatigue limit, a freer and more buoyant life, and a visible increase in the quantity and quality of work per hour. Think of the endurance of the Swiss guides who during the summer months spend their entire time climbing. A Humboldt or a Mommson can work continuously through fifteen hours of the day. Contrast these with business men who cannot run a block for a street-car or climb a flight of steps without feeling completely tired out, or the person who cannot apply himself to mental work for more than one hour at a time without being "fagged" out.

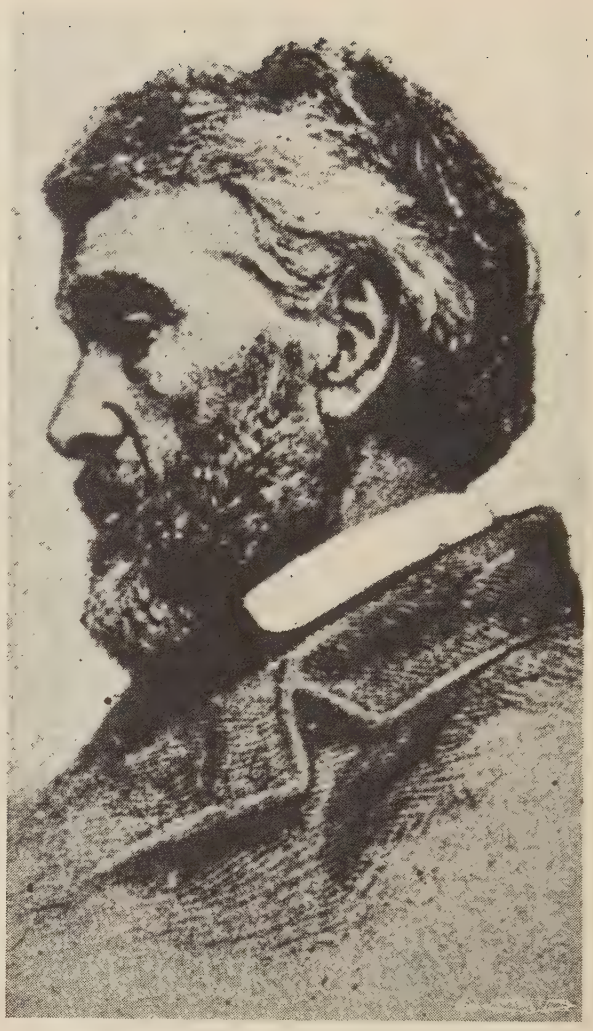
Although Dr. Swift thinks too much in the terms of the "tired business man," he has many suggestions and bits of information of value to the workers.

Carlyle's Dyspepsia

A most practical and suggestive chapter, for example, is devoted to the **Psychology of Digestion.** Since most of us think of digestion as solely a physiological process, we may well prick up our ears to hear what the author has to say about the mental side of this important function.

Anticipation of a meal by a hungry person is the best preparation for good digestion. Eating at regular hours has its psychological argument. When meals are served at definite hours the thoughts naturally turn to eating when the time arrives. Without consciously realizing it, the mind recalls the thing to be done. If one observes oneself at such a time one will often find the mouth watering. He goes on to relate other psychological factors favoring digestion. We see that digestion is a marvelously sensitive process, which may not be brought to consciousness in the vigor of youth by those who lead a free, active life in the open air. But maturity, with its inactive occupations, brings on a multitude of evils. It is then that digestion plays a tragic role in the drama of life. Some psychologists attribute Carlyle's philosophy of life to a dyspeptic stomach. (At that rate, however, dyspepsia may not be an unmixed evil!)

But be the Carlyle theory as it may, we are certain that mind and body must act together, and that in all our thinking and acting, digestion is never a silent partner.



THE DOUR SCOTCHMAN

Thomas Carlyle—whose Philosophy is laid to his Dyspepsia. Showing that Dyspepsia may not be an unmixed evil! For, Carlyle put a bomb under the smug ruling caste of his day.

To those who wish their information condensed, the **Outlines of Psychology,** by the Plebs League of England will recommend itself. It is also written from the workers' viewpoint—perhaps with too much of a Marxian slant. It will help the labor college student or the active labor man, however, to get a good idea of the meaning of psychology, its relation to life in general, and the way that it can be made useful.

Right thinking and right acting, and the way to secure them through regulation of our physical and mental life, are as worth while to the worker as the struggle to secure economic good. The two, indeed, march hand in hand.

What of the Fascisti?

A Book That Does Not Face the Facts

By PRINCE HOPKINS

THE "mighty Mussolini" still occupies the center of the stage. Recognized double-quick by governments such as our own—which could not see Russia and only recently knew that Mexico existed—he has basked in the sunshine of Reaction. Even a "Guild Socialist" has come to his rescue. With the results set forth below.

I GOT hold of Odon Por's new book, "Fascism" (Labour Publishing Co., London, 1923), the other day. I've been much surprised that this guild-socialist should apologize for a movement whose leader he quotes as saying "The consent of the people is shifting like the sands of the seashore. . . . Fascism . . . has already passed over the more or less decayed body of the goddess Liberty and is quite prepared, if necessary, to do so once more." Por says that when the government proved weak, when everything seemed falling into radical hands, when the workers had occupied "more than 600 workshops, involving some 500,000 operatives . . . everyone waited for the 'dictatorship of the proletariat' to be proclaimed." But there was "fear that the proletariat would not show a spirit of devotion equal to the material sacrifices that would be required."

"The older unions were chiefly concerned with conserving and completing their monopoly," he continues, "not by means of a friendly understanding with unions of a more recent formation but by fighting them and breaking them up. . . . Occurred serious fights between, for instance, Catholic and Socialist Trades Unionists; a little later Fascist Trades Unions joined in the scuffle." "The Socialist movement was absorbed in other problems. . . . The Trade Unions lacked the breadth of vision required." "The Socialist party was . . . flooded by malcontents . . . who had been sacrificed to the war . . . accustomed . . . to adventure and violence." "The uncompromising attitude of the Social Communists would have been . . . effective if . . . accompanied by organization . . . ready to replace the old state by the new. . . . But no such policy existed."

Result: everyone was "fed up" with the situation, the Fascisti swept all before them, and Por says that, after the first orgy of intolerance the black-shirts have become quite nice fellows.

To end the argument, I decided to go to Italy myself. So a few days later I found myself through the customs and over the Italian border.

Now, the first thing that impressed me, was the Italians who were on the train. I don't know whether I am right, but it has occurred to me since that their conduct may be a national reflection of the traits of the momentary national hero. It struck me as it never did before when in their country, that these Italians were in face and figure singularly energetic looking, and that their behavior was extraordinarily boisterous.

I have said "momentary hero" deliberately. For by the time this article goes to press, this volatile people may have discarded Mussolini and put up someone else. My visit was at the time that all were awaiting the 27th of September and Greece's compliance. They said Mussolini's political fate depended on what that day should bring forth.

"All Are Fascisti Now!"

I found no signs, though, that his popularity had waned during the half year I had been away, among the upper classes. Evidently they did not feel he had deserted the "white" cause to the extent I had gathered from Por. Their regular reply to my questioning was: "Of course I believe in Fascism, I am Italian. All Italians are Fascisti now!" One man who thus expressed his allegiance, later leaned toward me and confided, apparently with qualms: "It is said Mussolini wishes to make the King, emperor!"

A great many of the working people, too, were enthusiastically fascist. Some of them because any movement got their respect which had swept aside the really unbearable condition of the country which had just preceded — with everyone slacking, grafting, stealing, and producing nothing. Others of equal enthusiasm belong to the class of a porter who said he "couldn't explain. Politics is an incomprehensible subject!"

I daresay, the picturesqueness of the costumes has much to do with the popularity of their wearers. When I first reached Genoa, issuing out of the railroad station, I looked up and saw my first black shirts—three of them. I looked higher,

and saw on the young men's heads, jaunty coal-black fezzes, with a black tassel on the front of each. It's mostly the more energetic, adventurous, of the youths who have taken up the movement, and this fact adds to the effect. There are thousands of them about—they are everywhere, as they need to be, since their ascendency depends upon force.

Love for Dictator Wanes

But in spite of the paens of unmixed adoration which you read in the daily press, and despite the fact that the responsibility of power has made the Fascisti more temporate than at first, the Italian enthusiasm for dictatorship is decidedly on the wane. The people are beginning to see what history should long ago have taught them—that efficiency is dearly bought at the price of autocracy.

The recent Greek crisis, though it has rallied patriots to the support of the government, has also set many of them to reflecting, that the energy of a leader is no necessary proof of his wisdom. The people all tell you that they have enough of war. "Of what avail is it that Mussolini and his new officials set an example to the country in long hours of devoted work, if they are steering the ship of state onto the rocks of war?"

"He is too hot-headed!" one worker said to me. "Greece must be made to pay," commented another, "but I think the figures are too high!" "And it need not be done in such a preemptory way!" suggested a third, "we don't want more war."

Even the upper class are a bit pessimistic about business conditions. Despite whatever may be the government attitude, I also found them all very unfriendly to the French action in the Ruhr. This has shut off from Italy the coal, without which her industries are having to shut down. When I asked working people about labor conditions, they always answered: "Very bad," "much sorrow," "our unions have been all destroyed."

Odon Por's contention is, that inasmuch as the Fascisti have had that regenerative effect upon certain phases of Italian life (which I really think we must admit that they have had, only because they ceased to represent the capitalist element which at first backed them), we therefore ought not to make them out as mere white guards. He says that to do so gives encouragement to the genuine, actual white guards which are forming in so many countries at the present time.

Can We Wink at Autocracy?

But I cannot quite see the problem as simply as this. I cannot agree that you can throw general principles to the winds and consider only what is immediately expedient. I feel that the tendency in that direction is entirely too marked in the modern world. Everybody knows that a good autocrat can govern more efficiently than an average democracy. But how do you know that your autocrat will always be a good one? Are you going to welcome every burly ruffian who forces himself upon the country in the guise of a savior?

I haven't much faith in "saviors," either religious or political. The best of them never get understood by more than a minority even of those who take on their name. The rest of them are intolerant of any minority, except that of their adherents through whom they rule.

Some minority always has a clearer insight into truth than the majority. But in the fight for power, and to maintain itself in power afterward, truth slips away from it and is found by some new minority as yet unrecognized. So that the rule which is humanly practicable in the long run seems to be that which is most tolerant. Every other soon saps its own strength.

What is the basis of intolerance? Generally a clash in economic interests. Therefore, there will always be intolerance—so long as society founds itself upon economic competition. Por says: "The Fascist experiment had to be made; it was, in fact, the only definite solution." Mussolini did rejuvenate a decaying order, we can admit. But, is that what is meant by "solution?"

In Letters of Fire

But the lessons for the workers are clear. At least two stand out in letters of fire.

Organize, unify, quit petty jurisdiction and other disruptive disputes, and stand ready. Complete within our own ranks a framework like iron, that we may have at hand the nucleus of the new society. Then we shall not be taken unprepared when the day long predicted arrives, as it did arrive in Italy, when the capitalist state, blithering and decrepit, needs only a strong blow to end it.

Second, neither strike before we are ready, nor hesitate when the time has come and either we or some Mussolini must take control. This is the hardest lesson of all, for it is easy to be violent, and it is easy to be indifferent, but only strong men are temperate and determined.

Labor History in the Making

In the U. S. A.

(By the Manager, in Cooperation with the Board of Editors)

FORWARD, WORKERS' EDUCATION!

WORKERS' education is now beginning a new year.

It should be a fruitful year. The American Federation of Labor has given the movement its blessing. The Workers' Education Bureau, encouraged by this action, has put a field secretary on the road, to carry the message of workers' education throughout the country. He is Brother H. Brunson of the International Association of Machinists.

The Pennsylvania Federation of Labor is carrying on a big drive of its own within its own state. It is the first Federation to establish its own educational department, under the direction of Dr. Richard W. Hogue. On page 26 you will find the first appeal issued by this department to the Pennsylvania trade unions. In a few words it tells the value of education under trade union control, to the trade unions and trade unionists themselves.

Stirred by this action of its State Federation, the Philadelphia Labor College has issued an attractive folder, to interest the labor men of that city in its work. "Invest a night a week in study," is its slogan. Nothing can be of more importance to the Labor Movement, outside the industrial fight itself, than this educational move in Pennsylvania. For Penn's Woods—as the July LABOR AGE showed—is the key to Industrial America.

In the front ranks of the movement must again be noted the veteran Educational Department of the International Ladies' Garment Workers' Union. It is the pioneering institution of this kind in America, now entering its sixth year. Much of its success is due to the unceasing efforts of Fannia M. Cohn, Executive Secretary of the Department. This year its educational work is not only conducted in New York, but also in Boston, Cleveland, Philadelphia and other cities.

Now that labor education is beginning on a big scale, it is worth while to know just what it means. Here is the definition given by this veteran department:

> "The function of Labor Education is to assist in the all important task of making our world a better place for all to live in. The truth is clear to all intelligent workers, that it is the mission of the workers themselves to abolish the inequalities and injustices under which they suffer, and that it is only through organization that they can accomplish this aim. But it is equally clear that economic strength is much more effective if directed by intelligent, well informed, clear thinking men and women."

Brother Worker, here is the opportunity to serve yourself and advance your Movement! Education, next to organization, is the most powerful weapon the workers have to make their victory secure. All trade unionists have a duty to push forward this education, and to take advantage of it for themselves.

A BOOMERANG

"GENERAL" ATTERBURY of the Pennsylvania Railroad is wearing a wry face these days.

The reasons? There are many of them. The Pennsylvania Railroad is "hitting the bumps" as a result of its labor policy. Its financial condition is a sad one, compared to that of roads of a similar type who have met their men half way. (Ponder over Brother Anderson's cartoon on page 14 of this issue.)

But that is not the worst of Atterbury's troubles. He now has a suit on his hands. It is a suit unique in the records of American courts. System Federation No. 90 of the Railway Employes Department of the American Federation of Labor has haled the Pennsylvania into court. It is making the road take some of its own medicine.

In brief, the case is this: System Federation No. 90 represents the shopmen on the Pennsylvania System. Contrary to the decision of the United States Labor Board, the Pennsylvania set out to establish "company unions," and would not allow its men to vote for any other union. In the election called by the road, however, 90 per cent of the shopmen refused to vote and cast their own ballots for the Federation. The Labor Board then ordered a new election, on which the choice of company union or the System Federation would be allowed. The road refused to hold such an election. Thereupon it was denounced by the Labor Board for violating the law.

The present suit aims to make the road obey the law. It asks for an injunction, preventing the road from carrying out the "agreement" between itself and the "company union" in regard to wages and working conditions. This agreement cut the original wages of the shopmen very deeply.

It also asks—and this is what is making "General" Atterbury stay awake at night—for damages to the amount of $15,000,000. This represents the unpaid back wages of the 60,000 shopmen—the difference between the Railroad Labor Board rate and the Pennsylvania "company union" rate.

The men's chief counsel in this case is Morris Hillquit of New York, who secured the noted injunction of the International Ladies' Garment Workers' Union against the employers a year ago. With him are associated Donald R. Rich-

A UNION LANDLORD AND BANKER

DECEMBER FIRST is an important date. Put it on your calendar.

It marks the opening of a fourth labor bank in New York City—the International Union Bank, under the auspices of the powerful International Ladies' Garment Workers' Union. The International Fur Workers' Union, the United Cloth Hat and Cap Makers, and the Fancy Leather Goods Workers are also interested in the bank, as is the Forward Publishing Co.

"Our bank is a cooperative bank enterprise," declares the official statement of the I. L. G. W. U. to its affiliated locals, "and the large profits which the ordinary business bank distributes among its stockholders will go to our depositors, our unions and our members. Our bank will open for business with a paid-in capital of $500,000, all of which will be owned by our unions and our members. It will accept deposits and checking accounts and will have the best facilities of transmitting money to Russia, Poland, Roumania and other countries of Europe, and to insure quick deliveries at small expense."

Banking is only one of the undertakings of the I. L. G. W. U., to make it self-sufficient. It also owns—the International and its unions—over $1,000,000 worth of property in New York City. This property is covered by 7 buildings, whose use and value is as follows: International office, $175,000; Joint Board of the Cloakmakers, $300,000; Italian Labor Center, $150,000; Union Health Center, $100,000; Cloak Operators, $73,000; Dress Makers' Union, $35,000, and Finishers' Union, $100,000.

In the Health Center of the Union 10,000 patients are treated annually. In the heart of the Eastern Pennsylvania hills, the I. L. G. W. U. also maintains a summer resort for its members.

None of the now long line of labor banks starts out under more favorable auspices than the bank opening December 1. The successful handling of otther big ventures by its backers assures it of a bright future.

The gradual invasion of the field of business by labor unions reminds us of the 13th Century guild days. Then the unions of the workers not only owned their own buildings but also held the control of their tools and work.

The labor banks now doing business, their capital and resources, and the unions back of each, are as follows:

	Capital	Resources
Commonwealth Mutual Savings Bank, Milwaukee, Wis...		$ 931,981.99
Mt. Vernon Savings Bank, Washington, D. C. (owned largely by International Association of Machinists)	$ 160,000	2,689,182.00
Brotherhood of Locomotive Engineers Cooperative National Bank, Cleveland, Ohio	1,000,000	24,198,859.86
People's Cooperative State Bank, Hammond, Indiana (controlled by B. of L. E.)	50,000	250,000.00
Cooperative Bank and Trust Company, Tucson, Arizona	70,000	240,000.00
Amalgamated Trust and Savings Bank, Chicago (owned by Amalgamated Clothing Workers)	200,000	2,552,968.85
Producers' and Consumers' Bank, Philadelphia, Pa.	155,831	.....
Brotherhood Trust and Savings Bank, San Bernardino, Cal. (branches at Barstow and Needles, Cal., owned by railway brotherhoods)	200,000	770,000.00
Federated Bank and Trust Co., Birmingham, Ala. (control held by B. of L. E.)	500,000	.....
Labor National Bank of Montana, Three Forks, Montana (owned by railway brotherhoods)	25,000	.....
Transportation Brotherhoods' National Bank, Minneapolis	200,000	795,501.63
Telegraphers' National Bank of St. Louis, Missouri	500,000	2,173,094.00
Amalgamated Bank of New York	200,000	1,746,556.44
Brotherhood Savings and Trust Co., Pittsburgh	125,000	.....
Federation Bank of New York	250,000	2,100,000.00
Brotherhood of Railway and Steamship Clerks, Cincinnati	1,000,000	.....
Brotherhood Cooperative Nat'l Bank, of Spokane, Wash.	200,000	.....
Fraternity Trust Co., Harrisburg	200,000	.....

In several instances amounts of resources are not made known.

Labor banks being organized and expected to open shortly in addition to the I. L. G. W. U. bank, are: the Locomotive Engineers in New York and Baltimore; the Telegraphers, in Boston, the Central Labor Union Bank in Buffalo, and the Indiana Labor Bank, Indianapolis.

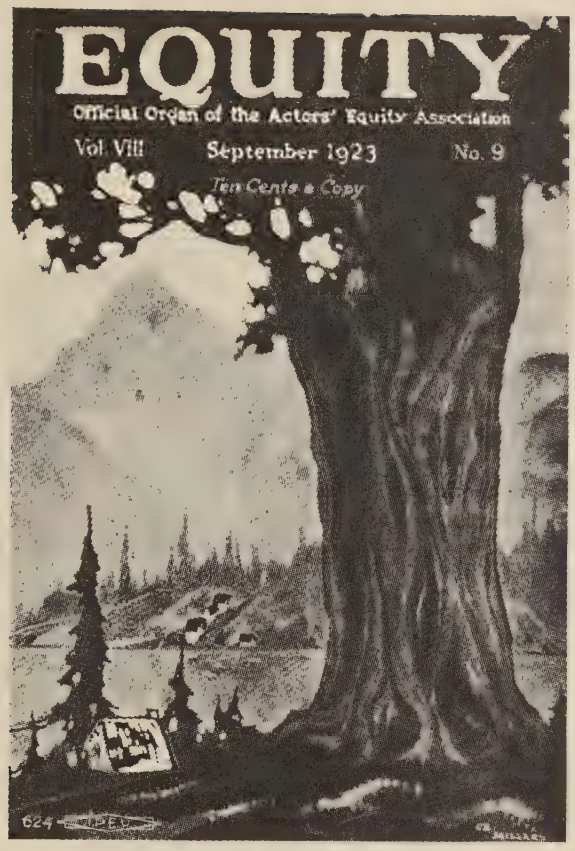
berg, counsel for the Railway Employes Department, and Henry T. Hunt, one of the original members of the United States Labor Board. The workers have able counsel, therefore. They have moral right on their side, even from a capitalistic viewpoint. It is likely that the Pennsylvania Railroad will find that the injunction can be a boomerang, and that law courts, servile as they are, may even serve the purposes of Labor on occasion.

A FARMER-LABOR TRY AT UNITY

MINNESOTA is looked to with hope by all the farmer and labor forces, dreaming of permanent political success for the workers of city and land.

The elections of Senators Shipstead and Johnson on an independent ticket has given greater impetus to a "third party movement" on economic lines than anything since the days of the Populists.

The try which the Farmer-Labor groups have



THE ACTORS' ATTRACTIVE MAGAZINE
"Equity," organ of the Actors Union, which has added to its attractiveness by a changeable cover

just made for closer unity is, therefore, of interest to workers almost everywhere. Real unity seems harder to attain in progressive labor movements than Sheik Traprock's attempt to possess forever that fair member of his "favorite sex," the divine **"Sarah of the Sahara."**

In September a conference was held in Minneapolis of all the unions and farmers' organizations interested in the Farmer-Labor program. It was called as a result of an informal meeting of labor and farmer leaders the month before. Prior to the meeting these organizations had acted politically through three channels—the Farmer-Labor Party, the Workers' Nonpartisan League and the Nonpartisan League of the farmers. Those signing the call—President William A. Mahoney of the Workers' Nonpartisan League and Secretary H. G. Teigan of the Farmer's Nonpartisan League—argued that this three-headed form of organization was not effective for lasting results.

In the conference two proposals were considered. One of these was for a continuation of the present situation, whereby the workers' and farmers' leagues act through "conference committees." The other was, to form a federation, organized so as to do precinct work. The conference, after much discussion, endorsed the latter idea, and appointed a committee of seven to carry it out.

Opposition to the new plan was voiced by ex-Mayor Van Lear of Minneapolis. The **Minnesota Daily Star,** of which he is president, even ran a series of articles, attacking the unity effort. The representatives of the Nonpartisan League also shied at the proposal, but expressed their intent to give it consideration. This their state committee will do within the next two months; so that definite action on the whole plan is likely by the first of the year.

There is no doubt where the two large central labor bodies stand on the proposal. Both the Minneapolis and St. Paul Trades and Labor Assemblies have endorsed it, and the latter has censured the Daily Star as "unfair and unjust" in attributing the organization of the federation to the Communists. The **Minnesota Union Advocate,** of which Mahoney is editor, challenges the Star to name the Communists, and declares the daily "a decoy to deceive the workers."

The committee of seven is reported to be at work, having established an office at 158 East 53d Street, St. Paul, in charge of the secretary, Ralph L. Harmon. Other members of the committee are: Fred Siegel, Myrtle Cain, C. A. Hathaway, Fred Tillquist, Ole Ogg and J. C. Pratt. Out of their efforts, announces the **New Majority,** organ of the National Farmer-Labor Party, unity is sure to come.

LABOR AGE will watch the Minnesota situation carefully. A special representative will be sent to Minnesota soon, and in our January number will appear a vivid and complete picture of what is happening in the Northwest since the Farmer-Labor victories.

A "CO-OP" TRAINING SCHOOL

UP IN Gopherdom they have been engaging in another successful undertaking.

It is nothing less than a training school first of its kind in the English language in this country. In the first week in October, 22 students received diplomas from this school, going back to spread the gospel and works of cooperation in their home communities.

The school was conducted in the fine new building of the Franklin Cooperative Creamery—itself the most successful cooperative enterprise in this country. For six weeks the students had tussled with the problems of proper cooperative publicity, efficiency in executive work for cooperatives, and in other like subjects dealing with the proper conduct of cooperative stores and factories.

In leaving the school, the students form "the Cooperative Student Fellowship"—as a means of keeping together these servants of the workers. "We All Need Education" is the motto they adopted, indicative of their zeal in the cause and their humility.

Much of the credit of the school's success is due to the Northern States Cooperative League—under the secretaryship of S. Allanne—and the Cooperative League of America. It is the beginning of bigger things for the Cooperative Movement in these United States.

THE WAY PENNSYLVANIA DOES IT

A COMMUNICATION

TO THE TRADE UNION WORKERS OF PENNSYLVANIA:

(To be read at meetings of Locals)

Do you want to know more of the Trade Union Movement, its past history, present problems, and future hopes?

What do you know of the political and industrial history of the Country and State in which you live?

Are you willing to let others do your thinking for you?

Wouldn't you give a great deal to secure some of the education you lost by having to go to work as a boy?

Don't you want to be as well-informed as the fellow on the other side?

Suppose you are injured! Do you know your rights under the compensation laws of the State?

Suppose you lose an arm! Do you know how much compensation you are entitled to—when it begins, and how long it will last?

Do you want to depend always upon somebody else to tell you what your rights are under the various laws of the State and Nation?

For instance, in these matters of vital importance to workers:

Free Speech	**Strike**	**Arrest and Bail**
Free Assembly	**Lockout**	**Contempt of Court**
Boycott	**Eviction and Injunction**	**Trial by Jury and Appeal**

Do you know that ignorance of these has cost the workers enormously in money and time, has often brought imprisonment and even loss of life?

Haven't you a right to enjoy a better class of literature than the daily paper?

Don't you want to get Big Business out of politics?

Don't you want Labor to be an intelligent power in politics?

Don't you want to be ready for the time when the workers will have a larger share in the control of the industries to which they give their lives?

Don't you believe that Labor would benefit in many ways by a better trained and better informed rank and file?

Are you informed on the labor laws of Pennsylvania?

Don't you know that the right sort of Labor Official is not afraid of an educated rank and file?

If your answer to these questions is, "Yes"—and, of course, it is—the way is now open to make good that answer. You have opened the way yourself by the unanimous vote of your last State Convention. The Convention empowered your Executive Council to establish a Department of Education. That Department now exists. It is up to you to use it to the limit.

If you want to see a local Workers' Study Class in your community and to be a member of it, or desire further information, write to

RICHARD W. HOGUE, Director,
Federation of Labor Headquarters,
430 North Street, Harrisburg, Pa.

In Europe

COOPERATION'S VICTORY OVER COMMUNISM

COOPERATION is extending its hands across national boundaries to fight Monopoly.

That is the latest news that comes from over the seas. The establishment of the Anglo-Russian Wheat Exporting Company was announced at the meeting of the representatives of the International Wholesale Societies at Luxembourg last month.

This company is made up of the British Cooperative Wholesale Society, the Russian Central Cooperative Society, the Soviet Government and two private British concerns. The total capital raised by the four groups on an equal basis is $500,000. The concern will distribute Russian wheat in Great Britain, cutting into the prices of American wheat. A similar trade is being carried on in New Zealand dairy products at the present time.

This new joint action of the British and Russian cooperatives reminds us of what the latter are doing, under great difficulties. State trade in the Soviet Republic suffered such a severe setback last winter, falling 50 per cent, that the government authorities called the cooperatives to the rescue. They have given these cooperatives a credit of 10,000,000 gold rubles, and asked them to take up the job of transferring goods from the state factories to the distant villages.

The cooperatives jumped into the breach, bringing up the trade 35 per cent for the first three months of 1923. This is only part of what the Russian cooperatives are doing. In Moscow alone the consumers' cooperative societies manage 11 department stores, 40 provision stores, 19 bakeries and 17 dining rooms and tea rooms. Throughout Russia 25,000 societies are at work in the service of the people, conducting 35,000 different stores.

In the country districts the same story is told. Nearly 4,000,000 peasant households are included in the cooperative movement. Cooperatives engaged in the running of factories, railways and other enterprises also extend all over the Republic. The most recent national organization in this field is the All-Russian Cooperative Producers' Union of Fishermen, which includes the unions of fishermen carrying on their own business.

Cooperation in Russia has not only triumphed over Communism, but compelled the Communist Government to turn to it for aid. Premier Lenin's last appeal was an urgent request for his followers to take up a study of the possibilities of the Cooperative Movement, in order that it might be advanced rather than retarded in his country.

"A SYNDICATE OF ERROR"

ULYSSES, on his famous homeward voyage to Ithaca, faced Monsters no more terrifying than those now plaguing the British worker.

"Trade is about as gloomy as it can be; Trade Union funds are low; the registered unemployed are 1,300,000; prices do not fall; temper is not of the best; emigration skims the best of our people from us . . . the Government shows no appreciation of the gravity of the problem."

Thus gloomily does J. Ramsay MacDonald, parliamentary leader of the Labor party, picture the Britain of 1923 in his magazine, **The Socialist Review.**

During the month of August the number of registered unemployed increased by 31,000—a hint at what the coming winter will bring. "Registered unemployed" are those out-of-work folks who enter their names for the unemployment dole at the government labor exchange. They do not represent by a great deal all the persons out of work in the country. The **Labour Research Department,** in its October Circular, estimates the total number of unemployed on September 1 at two and one-half millions.

What is the cause of this shameful condition? "A syndicate of error" is responsible, answers the leader of the Labor party. "The conditions which we have now to deal with are not only the result of Capitalism, but of Capitalism, plus war, plus political folly." It is this syndicate—Capitalism, war, political folloy—which the Labor party must fight and overcome.

Not the least of this evil combination, in his opinion, is the folly which has lost England a large share of Russian trade. "The prejudices of a bureaucratic and social clique" at the Foreign Office have lost "precious years" and precious sums of money for the unemployed. "I know quite well that Russian trade is not to fill the bellies of our million unemployed, but it is something, and the manner in which it is frittered away is an example of the general way in which our people are being served by their rulers."

The result is that at least one-sixth of the population of the country will be suffering from the unemployment curse this winter. Not a pleasant prospect!

A SIGN IN THE HEAVENS

IN the cold, gray weather of the Depression, the Trades Union Congress met at Portsmouth in September for a "stocktaking."

"Back to the Unions" has been the cry during the past year. The vigorous campaign carried on under that slogan had not stemmed the tide of membership loss—affecting the Labor Movement throughout the world. The British union membership now totals 4,352,818, against 5,128,648 in 1922 and over 6,000,000 the year before that.

THE LABOR LEADER

Margaret Bondfield, Labor's "Saint" becomes head of the British Trade Union Congress. Born in 1873, the daughter of a lace designer, she became a shop worker and one of the active leaders of the Shop Assistants' Union (retail clerks). She was the first woman to become a member of the Parliamentary Committee of the Trade Union Congress, and is now the first woman to head that body.

When the sad state of British "trade" is considered, it is a wonder that the loss is not much worse. British Labor—through its industrial and political arms—is still the solitary hope of the workers of Western Europe. Reaction is everywhere grinding them under its heel, reports General Secretary Fimmen of the International Federation of Trade Unions, to the Trades Union Congress. Even in Belgium, where the Labor Movement is strong, the judges and police authorities have joined the employers in one of the bitterest of anti-union campaigns.

The Congress took prompt action to meet the black situation by granting increased power to its General Council, to act between meetings of the Congress. **It took a significant step in deciding to link up "managerial staffs" of technicians with the Labor Movement.** It also decided to come to the rescue of the **London Daily Herald** for another 3 months, because of the urgent need of a daily to the Movement. (Had the Congress not done this, the Herald would have passed out of existence on September 30.)

It was unable to settle the differences which arose in the marine unions, as a result of the dockers' strike. But the big issue raised by the Cooperative Wholesale Society, in its refusal to submit the demands of its union employes to arbitration, was settled by the surrender of the

Cooperative Wholesale Society. The Joint Committee of Trade Unionists and Cooperators will continue to act as arbitrators. The Trades Union Congress also wants the establishment of local joint committees for arbitration and conciliation, but the Cooperative Union has not yet agreed. The question, it is thought, will be settled at the Cooperative Congress of 1924.

Its settlement will be of the greatest interest to trade unionists and cooperators throughout the world. Cooperation is making more headway, in the face of enormous odds, than any other democratic movement. A charter of common action between the cooperatives and the trade unions, which insures justice to the workers in cooperative establishments and progress for those enterprises themselves, will be a "sign in the heavens" that the Workers' Cause is sure of final triumph.

THE GREAT COOPERATIVES

THE Four Horsemen of the Apocalypse—War, Famine, Pestilence, Death—sweeping over Europe, cannot sweep away the sturdy Cooperative Movement. "In Russia," says Senator Brookhart, who has just returned from Europe, "cooperation has triumphed over war, over despotism, over Communism, and over death."

So it is all over the continent, to a greater or less degree. As for England, the mother of successful Cooperation, the news from there is heartening. The "glooms" of bad trade are driven away in part by the "joys" of continued cooperative triumphs.

In the face of the severe Depression, the Movement did suffer a loss in membership, in trade and in profits in the British Isles. But these losses were much less than those suffered by any other democratic organization. The report for 1922 has just been published by the British Cooperative Union. This shows that the **Cooperative Wholesale Society — operating in England, Ireland and Wales—did 48.82 per cent of the retail business of those countries.** The Scottish Cooperative Wholesale Society went it even one better, by capturing 49.20 per cent of the retail trade of Scotland.

At the end of 1922 there were 1321 societies, running like a network over the British Isles—a loss of only 31 societies during that year. Twelve of these had joined with other organizations, and only 19 had gone out of business. The total membership of the distributive societies was over four million—4,519,162, to be exact. The reserve funds of these societies amount to $25,000,000—a neat sum indeed for a business run by groups of workingmen. The total trade of the wholesale and retail societies ran over one billion dollars.

In view of the interest in labor banking in this country, it is worthy of note that 942 of the retail societies have small savings banks, in which over $17,000,000 is deposited.

Thus has the dream of the handful of poor English weavers, who started the movement at Rochdale in 1844, come true. Their little grocery store has grown to the elaborate system of socities, controlling this big chunk of British domestic trade. Out of these societies has come the Cooperative Wholesale Society, which has linked up the producers on the farms with the workers of the city, by going directly to the farmers for the purchase of goods. It sent its agents to the farmers in Ireland as well as England—and helped to strike off their shackles by securing their butter, cream, milk and other farm products, at better prices than the privately-owned firms would offer.

The Cooperative Wholesale Society is not merely developing its trade at home, but is cooperating with the retail societies of other countries, to furnish them goods. Its bicycles are now being sold to Sweden, and it is planning the opening of a big Russian trade. It has just announced the manufacture of a low-priced automobile, which it declares to be superior to the Ford, and cheaper.

Thus, those who think that private profit alone can produce inventive initiative "have another think coming."

NEW INTERNATIONAL LABOR HOME

Headquarters of the International Federation of Trade Unions at Amsterdam, Holland

BOOK NOTES

COOPERATION TRIUMPHANT

IN the midst of present chaos, it is encouraging to hear a challenge, clear, strong and distinct against the present order.

Such a challenge is contained in the new book by Dr. J. P. Warbasse—**"Cooperative Democracy."** An eloquent plea for consumers' cooperation might well be expected from the leader of the American Movement. But in this book Dr. Warbasse exceeds himself.

Not that there is not much in the book that might be questioned. The state, for instance, does not seem to be so ready to surrender to voluntary cooperation, as Dr. Warbasse seems to think. In the capturing of the great public utilities and trusts, it is very doubtful that Labor can be successful through a cooperative scheme. The miners and railwaymen, at any rate, have preferred to put their trust in a modified Guild Socialist plan—government ownership with three-party control.

But Dr. Warbasse has back of him the astounding success of the Cooperative Movement throughout the world. In every country, almost, it has withstood the attacks of reaction and radical dictatorship better than any other democratic movement. Its big success in such countries as England, Russia and Denmark give hope that it will pave the way for a new era. In this work, happily, it does not rely on autocratic weapons. It brings, instead, a message of freedom through voluntary action of the workers. LABOR AGE will refer to this book frequently. It should be on every union bookshelf.

And even in America, Cooperation has its triumphs. Lest we forget this, Herman Steen's book **"Cooperative Marketing"** comes to remind us of it. Do you know, for example, that 90 per cent of the California raisins are marketed cooperatively? That 85 per cent of the prunes out there, 80 per cent of the peaches and apricots are also marketed in this way? And that means 80 per cent of the entire American production of dried fruit.

Tobacco, cotton, dairy products, live stock, and other farm crops are marketed in the same way. Five thousand farmers' cooperative elevators dot the land. In this way has the American farmer, to a degree at least, freed himself from the jobber. He now has the bigger task of freeing himself from the banker. Cooperative banking will do that for him, as it has done in Denmark.

Mr. Steen's book is written in a business vein, and does not give much of the spirit of the Cooperative Movement. But its figures and facts show what can be done on a still larger scale—by both farmers and workers.

The first book is published by Macmillan Company, and the latter by Doubleday, Page & Co.

BREEDING PEOPLE

A VERY informative and readable book on birth-control and the **"Problem of Population"** is that of this title by Harold Cox (Putnam's, 1923). The author begins by calling our attention to the fact that a very small birth rate in a populous area like modern New York may mean a vastly greater annual increase of population than will a higher birth rate when the community is smaller. He then notes the absurdities into which we should be led, if modern large countries continue to double their populations every sixty years or so.

Population is greatly involved with the question of militarism. "As soon as a population grows big, its leaders say: 'Our people are so numerous we must fight for more space.' As soon as war has taken place the leaders invert this appeal, and say: 'We must breed more people in preparation for the next war.'

"What is wanted is a League of Low Birth Rate Nations, prepared to take joint action, if necessary, against any race that by its too great fecundity is threatening the peace of the world—it would enable the nations concerned to pay attention to the quality rather than to the quantity of their population." But meantime, the fact that numbers alone do not give military supremacy is seen by the success of the historical English wars against the French, though England then had sometimes only a third the population of France.

Cox quotes a pamphlet issued by the British Labor party to the effect that:

"Probably also the fall of the birth rate since 1872 (?1876) has counted for something in the movement for bettering conditions—human life and therefore human labor is less cheap than it was."

IN FAR AWAY LANDS

WHOEVER is interested in human affairs will do well to acquaint himself with more than what is going on in his own region and among men who have arrived at approximately the same stage of culture as himself. He will seek to study human nature under the most diverse conditions possible, and especially when he can do so so pleasurably as by reading **"Among the Head Hunters of Formosa,"** by Janet C. McGovern (T. Fisher Unwin, London, 1922). This frail woman went into parts inhabited only by cannibals, and braved dangers both of inanimate and animate nature which none of her men acquaintances dared face.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912,

Of LABOR AGE, published monthly at New York, N. Y., for October 1, 1923. State of New York, County of New York, ss.

Before me, a notary public in and for the State and county aforesaid, personally appeared Louis F. Budenz, who, having been duly sworn according to law, deposes and says that he is the Manager of the LABOR AGE, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Labor Publication Society, 41 Union Square, New York City; editors, J. F. Anderson, Roger N. Baldwin, Stuart Chase, Max D. Danish, H. W. Laidler, Prince Hopkins, Phil Ziegler, 91 Seventh Avenue, New York City; business and editorial manager, Louis F. Budenz; no managing editor.

2. That the owners are: The Labor Publication Society, a non-stock corporation; approximate membership, 200, 91 Seventh Avenue, New York City; President, James H. Maurer, Harrisburg, Pa.; Secretary, J. M. Budish, 91 Seventh Avenue, New York City; Treasurer, Abraham Baroff, 3 West 16th Street, New York City.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and condition under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

LOUIS F. BUDENZ, Manager.

Sworn to and subscribed before me this 3rd day of October, 1923.

(Seal) MARIE R. CROSBY,
Notary Public, New York County,
(My commission expires January 18, 1926)

THE SUPREME JOB

THIS issue is the Second Anniversary Number of LABOR AGE. With the opening of this second year, we are making a big drive for new subscriptions. **We want to add 6,000 new subscribers to our list by February 1 of next year.**

There is nothing more important at the present time than an agency dedicated to furnish Labor with accurate information, for use in its fight. That is the specific job for which LABOR AGE was created. It is not conducted by a group of intellectuals, for the purpose of telling the Labor Movement what it should do. It is a digest of the Movement—"of, by and for active labor men." It has been declared by the Pennsylvania Federation of Labor and other bodies, to be a real vehicle of Workers' Education.

During the three months in which our nation-wide drive is being carried on, we need the help of all our friends to make it effective. **We want you to give us a Christmas and New Year's present of as many subscriptions as you can get. Interest your local union and your friends.**

Only the other day a labor visitor from across the seas declared the supreme job to be the placing of information and education at the disposal of the Movement. It will equip the active workers with the weapons to win.

We want your vote FOR such Information and Education. Cast it—by securing at once one, two or three new subscribers for LABOR AGE.

The Next Issue will answer the question: "How Can the Workers' Jobs be made Steady and Secure?" Look for it.

NEW FEATURES: In addition, the first of a tabloid series of famous labor novels; reviews of what the employers are saying and doing against Labor; nut-shell reviews of economic conditions. All prepared especially for, and copyrighted by, LABOR AGE.

LABOR PUBLICATION SOCIETY, Inc.

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